



Daily Report

LAST ISSUE

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LAST ISSUE

China

FBIS-CHI-96-148

Thursday

~~21 August 1996~~

31 July 1996

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Daily Report

China

FBIS-CHI-96-148

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General

PRC: Editorial Views Reaction to Nuclear Test

HK3107054096 Hong Kong SOUTH CHINA
MORNING POST in English 31 Jul 96 p 14

[Editorial: "Bomb Blast's Shock-Waves"]

[PTS Transcribed Text for FBIS] If all goes well, China's latest nuclear test will be the last such explosion the world ever has the misfortune to witness. Beijing's announcement of an indefinite moratorium on all further blasts allows it to claim the moral high-ground as the world moves towards post-nuclear age, with China having conducted fewer tests than any other major powers, apart from Britain, and only a fraction of the number held by the United States.

Unfortunately the shock-waves from China's final blast may yet derail negotiations on a global test ban treaty. It is India which poses the major obstacle to such a pact. New Delhi is refusing to ratify any treaty, which would effectively freeze its atomic programme, unless the major powers agree to a timetable for dismantling their nuclear arsenals.

There are fears India's stance will harden as a result of Beijing's latest test, which influential commentators have already denounced as a provocation, citing a border dispute with China as justification for New Delhi to retain the right to modernise its nuclear capability.

Time is running out if the treaty is to be signed during September's session of the United Nations General Assembly in New York, as was originally planned. The major powers are working on a plan to bypass India's objections. But this will need unanimous support, if it is to be made to work. China's moratorium may have removed one of the major obstacles towards concluding a test ban treaty.

But Beijing letting off a final test has intensified the problems which have still to be resolved, before the nuclear age can be declared to be at an end.

PRC: Editorial Challenges Fallacy of UN Resolution

HK3107065796 Hong Kong TA KUNG PAO
in Chinese 31 Jul 96 p A2

[Editorial: "Challenging the Authoritative Fallacy of UN Resolution"]

[PTS Translated Text for FBIS] In order to "rejoin the United Nations," the Taiwan authorities have created various fallacies recently, challenging the authority of resolution No. 2758 adopted by the United Nations in 1971.

The first fallacy: The UN resolution is an "outcome of the Cold War," "which did not resolve the question of China's seat in the United Nations."

Government inheritance is a phenomenon which occasionally happens in the international community. When an old government is disbanded in light of the procedures of its constitution or the old government is overthrown by revolutionaries or in a coup-de-tat, a change is effected in the government which represents the state. The qualification of state of the old government is replaced by the new government. In other words, the qualifications and powers of the old government in exercising administration at home and dealing with foreign affairs on behalf of the country are all replaced by the new government. In light of the principle of the international law on government inheritance, the PRC proclaimed its founding on 1 October 1949 and the overthrown government of the Republic of China [ROC] was replaced by the PRC government. The representation of the ROC in the United Nations and its seat in other UN organizations should naturally be replaced by the PRC.

However, China's legitimate seat in the United Nations was illegally usurped by the Taiwan authorities for 22 years because some Western countries led by the United States, proceeding from their Cold War strategy, implemented a policy of containment and blockade against the PRC and did their utmost to block China's representation in the United Nations. In 1971, the United Nations adopted resolution 2758 with an overwhelming majority, which thoroughly resolved the question of China's representation in the United Nations, foiled the attempt of some countries, and restored historic truth. It should be noted that the outcome of UN resolution 2758 was a victory of justice and the result of the fight against the Cold War. The "outcome of the Cold War" fallacy spread by the Taiwan authorities is a distortion of history and a reversal of right and wrong.

The second fallacy: "Although the UN resolution resolved the question of the people on mainland China, which are under the jurisdiction of the PRC, in participating in international activities, but deprived the people of Taiwan and their representative, which are under administration of the ROC, of their basic rights to participate in the political, economic, and cultural activities of the United Nations."

The Taiwan authorities have brazenly advocated "two Chinas" and "one China, one Taiwan" here.

There is only one China in the world and Taiwan is part of China. Sovereignty of a country cannot be separated and China's sovereignty can only be exercised by the PRC Government. As the United Nations is an international organization with participation by sovereign

states, the representative of the PRC Government is the sole legitimate representative of China in the United Nations.

In Taiwan, no matter how its leaders are elected and in whatever name the authorities appear, Taiwan is a region of China and Taiwan leaders are but regional leaders of China. Hence, the Taiwan authorities cannot exercise sovereignty over Taiwan.

Taiwan compatriots are part of the Chinese people and their fundamental interests lie in the great cause of reunification of the motherland. Only when reunification of the motherland is realized can the Taiwan compatriots join the people from all over the country to fully share the dignity and honor of the motherland in the international arena.

Superficially, the Taiwan authorities are striving for the basic rights of the Taiwan people. In fact, they are trying to create "two Chinas" or "one China, one Taiwan" under the "public poll card" and are moving in the direction opposite to the will and fundamental interests of the Taiwan people. The splittist activities of the Taiwan authorities to "join the United Nations" will only give rise to a tense situation across the Taiwan Strait, undermine economic prosperity and social stability on the island, and bring disaster rather than happiness to the Taiwan people.

In blocking China's legitimate seat in the United Nations in the past, the United States and other Western nations collaborated with the Taiwan authorities in proposing the so-called "dual representation" motion, which failed. How can the Taiwan authorities succeed in making the same clamor today?

The third fallacy: "Twenty-five years have elapsed since the adoption of the UN resolution 2758 and it cannot correctly reflect the facts and changes effected during this period."

Such an "outdated theory" is nothing new and has been applied by the Taiwan authorities over the years. However, the brilliance of UN resolution 2758 will not fade out because it is termed by some people as "outdated." With the passage of time, we can definitely say that justice of the resolution will be increasingly reflected and UN member nations will also resolutely safeguard the dignity of the resolution.

As everyone knows, UN resolution 2758 reflected the basic fact that there is only one China in the world and Taiwan is part of China. In the 20-odd years after the adoption of the resolution, the basic fact remains unchanged and it will never change. The basic fact that "there is only one China in the world" cannot change

simply because of the economic changes in Taiwan and the change effected in the election of Taiwan leaders.

Indeed, there have been changes in cross-strait relations over the past 20 years or so. Despite interference from the Taiwan authorities, economic and personnel exchanges between Taiwan and the mainland have increased. There is an increasing demand from the Taiwan people for developing cross-strait relations and promoting reunification of the motherland. Last year Li Teng-hui wantonly advocated "two Chinas" and "one China, one Taiwan," which undermined cross-strait relations. However, this did not shake the determination of the Taiwan people in promoting reunification of the motherland. After a period of pondering, more and more people have urged the Taiwan authorities to make a positive response to Jiang Zemin's 8-point proposal and hold talks as early as possible to end the state of hostility across the strait and deal with other matters. A few days ago, the Taiwan authorities blamed the Taiwan people for "being too impatient in promoting cross-strait exchanges" and time and again "urged" them "not to act with undue haste." This shows that the Taiwan people are anxious in realizing reunification of the motherland. This change precisely proves the correctness of UN resolution 2758.

PRC: EP Members Criticized for Supporting Taiwan's Return to UN

HK3107082296 Beijing RENMIN RIBAO in Chinese 25 Jul 96 p 6

[Commentator's article: "What Are Certain Members of European Parliament Up to?"]

[PTS Translated Text for FBIS] At the instigation of a handful of its members, the European Parliament [EP] recently adopted the resolution "on Taiwan's role in international organizations," demanding the United Nations [UN] to consider Taiwan's scope of activities in its organizations in order to enable it to "enjoy better representation than it does now." This resolution has brazenly supported the Taiwan authorities in creating "two Chinas" and "one China, one Taiwan." This disgusting move is both a flagrant violation of Chinese sovereignty and a gross interference in China's internal affairs. It has seriously hurt the feelings of the Chinese people, and we expressed our strong indignation at this.

National sovereignty is inseparable, and only a legitimate government can exercise national sovereignty internationally. There is only one China in the world, and Taiwan is an inseparable part of China. This is a fact acknowledged by the international community. Resolution 2758 adopted in 1971 at the 26th UN General Assembly eventually settled the question of Taiwan's

status in terms of politics, the law, and procedure. The resolution states clearly that the UN has "redefined all the PRC's rights and has recognized its government as the sole legitimate Chinese representative to the UN. It has immediately expelled Jiang Jieshi's representative from the seats he illegally occupied in the UN and all its organizations." It is more than 20 years now since the adoption of the resolution, but a small minority of EP members raised the question of "Taiwan's role in international organizations" again. They purely made trouble out of nothing. Not only did they make things difficult for the Chinese people, but they also openly defied the resolution of the UN General Assembly. As this move contravened norms governing international relations and run counter to the historical trend, it naturally met with the Chinese people's opposition and will not be tolerated by the international community.

Certain EP members have an ignominious record in making irresponsible remarks on China's internal affairs. They have used the Taiwan issue as a pretext to attack China this year, let alone the long past. In January, they went to Copenhagen to indiscreetly speak on the "Taiwan issue." In March, they traveled to Taiwan to act as so-called "observers," clamoring for Taiwan's "return to the UN." Their action went completely against the common aspiration of both China and Europe for the development of friendly cooperative ties. China has never interfered in Europe's internal affairs, nor has she done Europe a disservice. Certain EP members are always hostile to China. Frankly speaking, these people have overrated their own abilities. Is it possible that their empty words on a sheet of paper can change the relevant UN resolution and shake the Chinese Government's determination to exercise sovereignty?

Certain people from the EP like to use the Taiwan issue as a pretext to attack China because of their mentality marked by antipathy and gloom. To put it bluntly, they fear that China will grow strong. They do not want to see China's reunification and will have their wishes fulfilled if China is permanently split and chronically suffers poverty and backwardness. They always make an issue of Taiwan, but this is only one of their tricks used to realize their plots. It is also noteworthy that on the eve of this year's UN General Assembly, a handful of countries, including Nicaragua, tried to raise the question of Taiwan's "representation" again. People have every reason to believe that it was a not coincidence that certain EP members dished out the abovementioned resolution at this time. But instead, it has coordinated action deliberately designed to build up momentum for international reactionary forces to squeeze Taiwan into the UN. How vicious their intention is!

Over the past few years, good momentum has been gained in the development of Sino-European relations. In July last year, the European Union [EU] adopted a new China policy aimed at promoting political dialogues, developing trade and economic ties, and strengthening comprehensive cooperation. Thanks to the joint efforts of both China and Europe, the development of Sino-European relations have reached a new level. EP members should have reflected popular will and striven to promote the further development of Sino-European relations. Certain people, however, who run counter to the China policies of the EU and all its member governments and who disregard the fundamental interests of Europe, concocted the anti-China resolution, erecting obstacles to the healthy development of Sino-European ties. May I ask these people: How can you justify yourselves in doing so before the peoples of all European nations? It seems that these people want to turn a public opinion organization into a tumultuous club that listens to a minority who talk irresponsibly and wantonly interfere in other countries' internal affairs. The EP should earnestly assume its responsibility and should not allow these people to lead it by the nose.

PRC: Beijing Expecting To See Progress in Entry Into WTO

OW3107092196 Beijing XINHUA in English
0844 GMT 31 Jul 96

[FBIS Transcribed Text] Beijing, July 31 (XINHUA) — The Chinese Government said here today that it hopes the negotiations on its entry into the World Trade Organization will show some progress in October when the WTO Working Party on China convenes its second meeting in Geneva.

At a press conference here today, spokesman for the Ministry of Foreign Trade and Economic Cooperation Hu Zhaoqing said that there can be positive results as long as those concerned join in the effort.

"China has always had a positive attitude towards the resumption of its founding status in the General Agreement on Tariff and Trade and its accession to the WTO," Hu noted.

"As the largest developing country in the world, China plays an important role in the world economy and in trade," Hu said. "Without China's participation, the WTO will be incomplete," he emphasized, adding that, "China's participation in the WTO at the earliest date possible is not only beneficial to China, but also to the whole world."

The WTO Working Party on China held its first meeting in Geneva in March this year but failed to reach a resolution.

Hu said that leaders and trade officials from many countries are interested in China's entry into WTO and have exerted some influence for this end.

"It is our sincere hope that all the parties involved in the negotiations can be flexible and pragmatic and properly resolve this issue, on the basis of the Agreements of the Uruguay Round and on the condition that China's status as a developing country is recognized," he said.

China is willing to develop economic and trade relations with all countries and regions on the basis of equality and mutual benefits, Hu added.

Rome was not built in one day, Hu said, and China believes that it's liberalization of trade can only be realized one step at a time.

PRC: XINHUA Reports UNESCO's Field Survey of Potala Palace

*OW2207020496 Beijing XINHUA in English
0153 GMT 22 Jul 96*

[FBIS Transcribed Text] Lhasa, July 22 (XINHUA) — Tibet's Potala Palace, home to thousands of exquisite cultural relics, has been well protected over the past seven years thanks to up-to-date monitoring and telecommunications equipment and a 24-hour alarm system.

The palace's efforts to protect its precious store of relics have been spoken highly by experts from the State Bureau of Cultural Relics and the United Nations Education, Scientific and Culture Organization (UNESCO).

During a field survey of the Potala Palace, some experts from the UNESCO's World Heritage Committee, said to the palace's managerial staff: "the interior protection and management of the palace is in good order, and we thank you for the contributions you have made to the cultural heritage of the humanity, and you can be indeed counted as the protective god of the Potala Palace."

Included on UNESCO's World Heritage List, the 2,000-room palace contains valuable objects made of gold, silver, bronze and iron, enamel, lacquer, bamboo carving, horns and ivory, as well as jewels, embroidery, stone tablets, seals, coins, historical documents, Buddhist classics and religious artifacts.

In an effort to protect these priceless pieces, the palace erected a 60-meter long fireproof wall and installed fire-resistant pipes and firefighting equipment. It has spent 60,000 yuan annually to update some of the equipment.

Fifty craftsmen, including carpenters, painters, stonemasons, bricklayers and tailors, oversee the 24-hour conservation of the relics a day.

The artisans also have made about 100 square meter of carpet, cloth book covers for 9,000 Buddhist classics, and bookshelves that have an space of 500 square meters.

The palace is now in the process of registering the cultural relics. So far, about 29,000 items in five storage areas and 16 halls have been inventoried.

Furthermore, more than 9,000 archives have been established and 20,000 photos taken.

Some exploratory researches on the cultural relics have been conducted and enhanced in recent years. Tangpo, Thubdun and other scholars are working to help categorize the Buddhist classics. To date, more than 25,000 volumes of Buddhist sutras belonging to a branch of Tibetan Buddhism have been sorted out.

United States & Canada

PRC: CIA Said To Help Dissidents Enter HK Illegally

*HK3107073896 Hong Kong WEN WEI PO in Chinese
27 Jul 96 p D2*

["Contributed commentary" by Shieh Ying (6200 7751): "What Does British Hong Kong Authorities' Namelist Show?"]

[PTS Translated Text for FBIS] Canadian Foreign Minister Lloyd Axworthy, who visited Hong Kong a few days ago, disclosed that he had received from the British Hong Kong Government a list of the "pro-democracy activists" now stranded in Hong Kong. This message, which lays bare the British Hong Kong Government's policy and conduct of supporting subversion of the Chinese Government, has enabled Hong Kong people to see clearly the evil intentions of the Patten administration through a series of actions during the transition period in the political (including the "constitutional reform package"), legal (including the "legal reform"), public order (including relaxed restrictions on demonstrations and assemblies), and social (including changes in policy toward association) fields as well as the presumptuous act of formulating post-1997 laws.

According to a report, at a press conference prior to his departure on 22 July, Axworthy reportedly disclosed that he met Chris Patten on the evening of 21 July and discussed numerous issues, "including the issue of Canada accepting Chinese dissidents stranded in Hong Kong." The Hong Kong Government has provided Canada with data relating to the Chinese "dissidents" stranded in Hong Kong.

The report added, a relevant source estimated the number of "pro-democracy activists" now being stranded in

Hong Kong at 80 or so. According to Cheung Man-kwong of the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, these people have been working and living in Hong Kong as legitimate Hong Kong residents and have a Hong Kong identity card without a three-star sign on it.

The report also said, an insider disclosed that after receiving the namelist from the Hong Kong Government, Canada only said that it would verify the qualifications of four persons on the list according to the normal procedure for immigration application—this is different from other countries which usually handle the immigration applications of these people under the special political asylum category. Three years ago, the United States asked the Hong Kong Government to invite all Hong Kong-based foreign consuls to a round table meeting to discuss how to jointly solve the issue of those "pro-democracy activists" stranded in Hong Kong. But the round table meeting did not materialize. A year and a half ago, the Hong Kong Government released to the Hong Kong-based consuls of 13 countries a complete list of the "pro-democracy activists" stranded in Hong Kong and asked that these people be taken in. It also privately provided five countries, i.e. the United States, France, Britain, Switzerland, and Canada, with a separate list of "pro-democracy activists" with a first-choice country of emigration and asked that they be taken in.

The secretary for security told a MING PAO reporter on the evening of 23 July that all people of Chinese origin who have legitimately lived in Hong Kong continuously for seven years can apply to become Hong Kong permanent residents. These include those who have illegally entered Hong Kong and who have been allowed to legitimately stay in Hong Kong by the director of immigration at his discretion. Cheung Man-kwong of the Hong Kong Alliance in Support of Patriotic Democratic Movement in Hong Kong confirmed that the "pro-democracy activists" now living in Hong Kong have all been granted a Hong Kong identity card. The secretary for security also claimed that if the Preparatory Committee suggests handling the matter differently later, the Hong Kong Government will hold discussion with the Chinese side on this issue.

The Hong Kong residents learned of the aforesaid reports during the Canadian foreign minister's visit to Hong Kong. What do these reports show? They show that the British Hong Kong authorities and the Patten administration have always supported the criminals on the wanted list of the Chinese Government in violation of its commitment to the Chinese Government that they have no intention to turn Hong Kong into a base for subversion.

The so-called pro-democracy activists have illegally entered Hong Kong through the human-cargo smuggling "Yellow Bird Operations" launched by the CIA in collaboration with certain political and social forces in Hong Kong. Cheung Man-kwong conceded that the Hong Kong Alliance in Support of Patriotic Democratic Movement in China participated in and knew the whole process. The British Hong Kong authorities also knew it very well, legalized the illegal stay of these people at the so-called discretion of the director of immigration, and issued them with a Hong Kong identity card. Doesn't this show that the British Hong Kong authorities and the Hong Kong Alliance in Support of Patriotic Democratic Movement in China have the same stand in supporting criminals from the mainland to subvert the Chinese Government and they worked hand in glove long ago?

The political activities of subverting the Chinese Government carried out by the so-called pro-democracy activities have been shielded, abetted, and supported by the British Hong Kong authorities. Otherwise, they should have been repatriated as illegal immigrants long ago. The fact that they were not repatriated according to the law obviously has a political overtone. Patten's public statements on supporting the so-called dissidents and attacking the Chinese Government on the 4 June incident have provided a footnote to this practice. He said on 25 July that Britain and the British Hong Kong authorities would not hand over the list of the so-called dissidents to the Chinese Government. Since he pursues a policy of resisting China and acts in collusion with forces hostile to China, he naturally does not want to hand over the list. As for the remark that the handover of the list will cause international concern, which carries an implied threat, it is also out of keeping with the times. The firm steps China is taking toward the new century with full confidence and the implementation of "one country, two systems" are not to be obstructed by any hostile forces at home and abroad. The Hong Kong Special Administrative Region [SAR] Government will act according to the law.

If foreign countries want to take in the so-called dissidents stranded in Hong Kong, it is a matter for themselves. But who are the dissidents? Under what criteria and with what material can their identities be proven? Evidently the British Hong Kong authorities know a lot about these people and have been deeply involved in China's political situation. They also attempt to interfere in the affairs of the future SAR and impose on the SAR Government the non-legal [fei fa li 7236 3127 3810] conduct of the so-called dissidents by going so far as to ask the Chinese side to "hold discussion" on this matter.

This matter has given Hong Kong people much food for thought. It shows that the forces attempting to subvert the Chinese Government also exist outside the border and have the support of foreign forces. These hostile forces from outside the border attempt to legalize themselves in the Hong Kong SAR and undermine the implementation of "one country, two systems." This writer firmly believes that the Chinese people, who have won national liberation and independence after going through all kinds of hardships and overcoming innumerable difficulties and who are advancing toward national reunification, will certainly be able to triumph over the obstruction of foreign forces and the threat to China's state security, unswervingly implement the Basic Law in Hong Kong, and ensure that China will move toward prosperity in the new century under the principle of "one country, two systems."

Central Eurasia

PRC: Xinjiang Chairman Meets Georgian Trade Minister

OW2907145496 Urumqi XINJIANG RIBAO
in Chinese 14 Jul 96 p 1

[By reporter Chen Yan: "Chairman Abdulahat Abdurixit Meets Guests From Georgia"]

[FBIS Translated Text] At the invitation of the autonomous regional people's government, the economic and trade delegation from the Republic of Georgia led by Minister of Trade and Foreign Relations [as received] Konstantin Zaldastanishvili visited this region from 12 to 19 July. On the evening of 13 July, regional government chairman Abdulahat Addurixit met with members of the Georgian delegation at the Xinjiang People's Hall.

The Georgian delegation's current visit to this region is to inspect a cooperation project in Xinjiang which is listed in the agreement of intent signed between China and Georgia in September 1995 and also to understand the situation of industrial and agricultural production in this region, in particular, the situation of development of light industry, food processing industry and tourism.

During the meeting, Chairman Abdulahat introduced the general situation of Xinjiang's development and the "Ninth Five-Year Plan" of the region to the guests. He hoped that, on the basis of constant development of relations between China and Georgia, Xinjiang and Georgia would further expand friendly cooperation.

The Georgian guests also expressed their desire to further strengthen cooperation with Xinjiang in the fields of economic development, trade and tourism.

Vice Chairman of the regional government Li Donghui was present at the meeting.

Northeast Asia

PRC: Beijing To Provide DPRK With Gratis Food Aid

OW3107080096 Beijing XINHUA Hong Kong Service
in Chinese 0417 GMT 30 Jul 96

[FBIS Translated Text] Beijing, 30 Jul (XINHUA) — Yang Wensheng, assistant minister of the Ministry of Foreign Trade and Economic Cooperation, and Song Pong-Hwan, the charge d'affaires ad interim to the Korean Embassy in China, signed recently on behalf of their respective governments the exchange notes on China's 100,000 tons of food aid given gratis to the Democratic People's Republic of Korea [DPRK].

The Chinese Government decided to provide DPRK with 100,000 tons of food aid given gratis, when the Chinese Government goodwill delegation, led by Luo Gan, state councillor and secretary general of the State Council, was visiting DPRK and attending the activities in celebration of the 35th anniversary of the signing of Sino-Korean Treaty of Friendship, Cooperation and Mutual Assistance early this month.

PRC: ISDN Service Between Beijing, Japan Launched

OW3107025796 Beijing XINHUA in English
0244 GMT 31 Jul 96

[FBIS Transcribed Text] Beijing, July 31 (XINHUA) — Beijing has launched an integrated service digital network (ISDN) to improve telecom service with Japan.

An opening ceremony for the ISDN earlier this month was witnessed by senior officials with the Ministry of Posts and Telecommunications (MPT), the Beijing Telecom Administration (BTA), and KDD, a leading Japanese telecommunications company, according to China Electronics News.

Zhao Jidong, vice-administrator of BTA, said that in addition to the Beijing-Japanese ISDN network, the city opened a network linked with the US during the Olympic Games. This project was jointly backed by BTA and AT&T, the American telecommunications giant.

The city's international ISDN services will also extend to Singapore, Hong Kong and Germany, Zhao said.

Another international telecom service, the frame relay network, will be launched soon, and a local ISDN web is now under discussion, according to the vice-administrator.

***PRC: Journal Discusses Future of Sino-Russian Relations**

96CM0439A Beijing GUOJI WENTI YANJIU
[INTERNATIONAL STUDIES] in Chinese 13 Apr 96
No 2, pp 1-8

[Article by Shi Ze (4258 3419): "On Sino-Russian Relations in New Era"]

[FBIS Translated Excerpt] [passage omitted] As compared with in the past, the Sino-Russian relations in the new era display the following unique attributes:

1. Differences in ideology and social systems no longer affect state-to-state relations. This is of great significance. For decades China and the Soviet Union had been locked in a bitter quarrel over ideology which seriously damaged national interests. In the 1960's, the Soviet Union arbitrarily criticized China for "dogmatizing scientific socialism," while China called the Soviet Union "revisionistic." Between the end of the 1970's and early 1980's, China had taken the path of carrying out reform and opening to the outside world, while the Soviet Union was still at a standstill. At that time, both sides had changed their views on the topic of their dispute, and an "ideological translocation" occurred. From this, we can see that the ideological dispute had always been the main reason for undermining the relations between the two countries. Although China and Russia had chosen different paths for development in recent years, both sides are able to transcend ideological differences. The different paths they take for social development and the changes in their domestic situations have not affected the relations between the two countries. The "Sino-Russian Joint Statement" emphatically pointed out: "The right of a nation to freely choose its own path of development should be respected, and differences in social development and ideology should not hinder the normal expansion of state relations." ("Sino-Russian Joint Statement" dated 19 December 1992 RENMIN RIBAO)

2. Equality and mutual respect have become the guiding norms for the new relationship. China and the Soviet Union clashed in the past not only because of ideological disparities but also of the Soviets' attempt to expand their ideological differences to the realm of state relations, and draw a parallel line between ideology and state relations, while blurring the demarcation line between them. Thus, they had ignored the guiding principle for two sovereign states to coexist. For a long time, China and the Soviet Union had not been able to reach a mutual understanding on the guiding principle on which to base their mutual relations. This leads to the phenomenon which existed between the two countries in the past with the big bullying the small and the strong being domineering over the weak and the phenomenon

of imposing one's will on the other. The relations between the two countries remained abnormal for decades. This miserable experience has finally helped China and Russia achieve a mutual understanding about equality and mutual respect in handling state relations. This is of great immediate significance in ensuring steady development of the bilateral relations. In spite of the fact that the two countries have different views on some issues, these different views have not affected the smooth development of their relations. Both sides are able to respect and understand each other without imposing one's own ideas on the other. This kind of phenomenon has never appeared in the past in the annals of the Sino-Russian relations.

3. China and Russia in the new era are determined to neither form an alliance nor engage in confrontation nor be affected by a third party. Nonalliance and nonconfrontation are important characteristics in the Sino-Russian relations in the new era. They are not only the summation of the historic experiences in the bilateral relations, but also the best choice that conforms with the tendency of the day. While reflecting the bilateral relations, these characteristics have also determined the way the two countries deal with a third country. That is, the two countries will not form an alliance in dealing with a third country. Still less would they confront each other in opposing a third country. Their commitment not to aim at any third country has become an essential precondition in developing the bilateral relations in the new era. For a long time, the relations between China and the Soviet Union were duly influenced or interfered with by a third country. The "three major obstacles" to normalized relations between the two countries illustrate the point. Since the establishment of the diplomatic relations between China and Russia, the two countries have fine-tuned their foreign policy, adopted the policy of good-neighborliness and friendship, and markedly improved ties with their neighboring countries. The negative influence of a third country no longer exists in the Sino-Russian relations. This factor is no longer an obstacle in developing the Sino-Russian relations. Not directing their policy at a third country is an extension of the important guiding principle advocated by China and Russia in handling bilateral relations and dealing with a third country. This principle is that China and Russia respect people's choice of freedom and that they do not interfere with the internal affairs of another country. The practice adopted by both China and Russia of not directing their policies at a third country has already had a significant bearing in improving their relations with other nations in the world. The fact that the development of Sino-Russian relations will not endanger the interest of any third nation has become a factor in ensuring regional stability.

4. Pragmatic economic and trade cooperation has become the main thrust of Sino-Russian relations. With geo-economic factors becoming more important after the Cold War, various major powers including China and Russia have diverted their attention to the economic sphere. Expanding economic cooperation has become a pressing task and mutual need for both China and Russia in their bid to reinvigorate their economies. Bilateral cooperation in economic affairs and trade have continuously expanded due to the complementarity and the unique geographical advantage of their economies. Trade ties are the fastest growing area in bilateral relations. Right now, the trade volume between China and Russia has already surpassed even peak periods in the Sino-Soviet era. The continuous expansion of economic relations have become a major source in further developing the relations between the two countries.

Several Things To Think About for Future Development of Sino-Russian Relations

1. Growing common security interests and political positions have laid an even more solid foundation for the development of the bilateral relations. From a global perspective, a post-Cold War world is moving toward multiple centers of power, and peace and development have become universal aspirations. Both China and Russia see each other as a pillar for safeguarding peace and stability in the emerging multipolar world. Both value the balancing role they each play in the global arena. Both are opposed to hegemonism, power politics and antagonistic political, economic, and military blocs. And both endorse the creation of a new international political and economic order that is stable, fair, and reasonable.

Both China and Russia are in the Asia-Pacific region. Geographically speaking, this region has become the most dynamic region in the world in recent years, with its rapid economic growth and increasing political clout in world affairs. China and Russia need each other to develop economic cooperation with various countries in the Asia-Pacific region and in Northeast Asia. They need to participate in the region's economic and political processes. They need to share the benefits of prosperity. Closer cooperation with China is the most realistic and ideal choice for Russia to join the political and economic neighborhood in the Asia-Pacific region. Regarding regional security, both Russia and China want to maintain security and stability in the region. They advocated practical and political methods to remove sources of conflict in the region, latent or overt, while encouraging and continuing the momentum of peace.

From a bilateral perspective, both countries are in a crucial stage to change the economic system. For a long time to come, both nations will be confronted with numerous challenges. The weightiest of these includes intensifying reforms, developing national economies, maintaining national unity, and improving living standards for the people. Both need a peaceful international environment, particularly between neighboring nations. Long-term stability, good-neighborliness and friendship, mutual benefit and cooperation in Sino-Russian relations are important factors for China and Russia to improve their geopolitical environment and ensuring security in the surrounding areas. As China's bordering country in the north sharing the longest border line with China, militarily strong Russia is one of the few nations that have important bearing on China's security. The removal of three historical obstacles which had plagued the relations of the two countries for a long time—ideological differences, border disputes and military confrontation—has substantially improved its security, making the modernization drive more tenable. Hence developing friendly relations with Russia is an important choice for China which foreshadows a more productive and prosperous 21st century. For Russia, the disintegration of the Soviet Union has brought about vexing geopolitical changes. It is confronted with the aggressive expansion of the North Atlantic Treaty Organization outside its western border. Its southern lands are rocked by protracted turbulence and separatist infiltration. From a long-term perspective, these factors will compromise Russia's security. Russia has stressed good relations with neighboring nations as a primary foreign policy objective. Improving its relations with China is of great importance in either improving Russia's surrounding environment or in developing its Far Eastern region in the future.

From a global, regional and bilateral perspective, China and Russia are in a similar situation. Their tasks are quite close, and they have similar interests in security matters. This will become one of the important points in developing long-term stable relations between the two countries.

2. Efforts must be made to bring into full play the advantages and economic potentials of the two countries, and push the economic cooperation between China and Russia to a new stage as soon as possible. Economic relations are not only the important foundation of the bilateral relations but also a barometer of the relations between the two countries. For decades, the Sino-Russian relations have been developed with growing economic cooperation. Future Sino-Russian relations will also be determined to a large extent by the progress of the economic cooperation between the two countries. Hence,

to develop economic cooperation on the basis of mutual benefit and complementarity will become a task of high priority in developing the relations between the two countries and the most important area for promoting bilateral cooperation. The favorable conditions for the development of economic cooperation between China and Russia are as follows:

A. Geographically China and Russia are neighboring countries, sharing a long border line of several thousand kilometers. There are many ports. The two countries are connected with waterways, airlines, highways, and railways and other means of transportation. These are the unique geographical advantage for developing economic cooperation between the two countries.

B. China is a populous nation with abundant manpower and fairly developed textile, food, and light industries. After the implementation of the reform and opening-up policy, it has a booming economy and a vast market. Russia is abundant in natural resources, and strong in industry and science and technology. It particularly excels in machine building and military industrial technology. Both sides are mutually complementary in supplying each other's needs in terms of resources, industrial structure, and level of development.

C. Both countries are implementing the policy of opening up to the outside world and showing a strong desire to cooperate with each other. To develop economic and trade cooperation is an important content of China's policy of opening up on all sides. After it has encountered some setbacks in developing its relations with the West, Russia has diverted its attention to the lively Asia-Pacific region, particularly China with which both countries may economically supply each other's needs. The policies of both countries are also quite compatible. We should realize that both sides have made full use of the aforementioned favorable conditions and advantages. Remarkable achievements have been made in economic and trade cooperation between the two countries, thanks to the joint efforts made by both China and Russia. However, judged from the scale of economic and trade cooperation at present, there are still some limiting factors, and there is great potential for expansion. As far as the requirements for the 21st century and the future development of the Sino-Russian relations are concerned, the economic and trade cooperation between the two countries still leaves much to be desired. In order to meet the needs of developing future bilateral relations, both countries will have to upgrade barter trade at the lower level to trade with cash settlements and to mutual investments for development. They must carry out trade at a level which conforms with their existing economic potential, and fulfill the arduous task in further strengthening their economic and trade cooperation.

It is for this reason that both sides should pay attention to the following tasks:

First, both sides must strengthen macrocontrol and promote the functions of the government. The governments of both sides should strengthen coordination and cooperation in performing their functions in exercising macrocontrol. They must coordinate with each other in implementing their respective economic and trade policies, promote cooperation, and ensure that their actions dovetail with their own policy. They must develop an effective mechanism for settling accounts, and properly solve problems on balancing the books. In dealing with problems regarding production quality, they should maintain border trade in good order, strengthen checkups over transit goods, and help enterprises ensure the quality of their products. They must also strengthen their control over small and medium-sized enterprises in carrying out economic and trade activities with foreign countries.

Second, both sides should adopt effective measures to strengthen cooperation between large and medium-sized enterprises in both countries. It is not enough to rely on the cooperation between medium-sized and small enterprises in tapping the economic potential and enlarging the scale in cooperation. Only by developing cooperation between large and medium-sized enterprises, will it be possible to achieve this goal. As the foundation and pillar of the national economy, large and medium-sized enterprises are abundant in financial resources, strong in the field of technology and large in production scale. By strengthening the cooperation between large and medium-sized enterprises of both countries, China and Russia will be able to extricate themselves from the limits of small and medium-sized enterprises, enlarge the scale of operation, and improve economic performances of both sides. In formulating policies, the governments of the two countries must give priority to strengthening cooperation between large and medium-sized enterprises in both countries. Government institutions should energetically and carefully choose a batch of large production enterprises, economic and trade corporations, and scientific and technological development units to cooperate with their counterparts on the other side. Particular efforts must be made to strengthen cooperation in the realms of energy, transportation and raw materials. Meanwhile, it is necessary to develop, as soon as possible, a mechanism that will help large and medium-sized enterprises of both countries directly or indirectly maintain ties with each other.

Third, both sides must enhance economic and technical cooperation and cooperation in science and technology. In Sino-Russian economic relations, economic and technical cooperation is lagging behind. In order to push economic and trade cooperation between the two

sides to a new height and maintain long-term stability, it is important to vigorously strengthen economic and technical cooperation. As a powerful country in science and technology, Russia is strong on scientific research and short in application and production. On the other hand, China's large and medium-sized enterprises are able to introduce and apply new and high technology in production. China and Russia are also mutually complementary in developing economic and technical cooperation and cooperation in science and technology. As long as the authorities concerned in both countries strengthen cooperation and coordination, and straighten out the bilateral relations, the cooperation between the two sides will certainly help quicken the pace in tapping the potential of supplying each other's needs for mutual benefits.

Both China and Russia already have the conditions and foundation to strategically upgrade their economic and trade cooperation. They have also worked out practical measures to achieve this goal. So long as both sides take advantage of the situation and timely solve the problems that crop up, there is a bright future in developing economic cooperation between the two countries. It is entirely possible to achieve the goal of doubling the two-way trade volume and hitting the U.S. \$10-15 billion mark before the century's end. (Article by Korisky: "Moscow-Beijing, People Are Marching Forward," dated 26 April, 1994 Russian "Businessmen Journal")

3. Efforts must be made to eliminate interferences and enhance Sino-Russian relations in a down-to-earth manner. While steadily developing the Sino-Russian relations, we cannot ignore some of the sensitive problems that exist in the bilateral relations. We must prevent them from affecting the Sino-Russian relations. These problems are mainly as follows:

A. Inharmonious tunes that run counter to the development of bilateral relations are often heard in Russian society and media. Some nationalists are often making trouble on bilateral relations. They claim that China is becoming stronger and Russia weaker, and that China is "pursuing an expansionist policy via population and economic infiltration toward Russia." Some even believe that China's growth has already constituted a threat to Russia. They try to create man-made cracks in the relations between the two countries.

B. Although 99 percent of the border has been settled, a small section remains in dispute. Some local Russian authorities and politicians interfere with the work of the two countries in conducting boundary survey, and challenged the two agreements on the eastern and western sections of the border, insisting that they be

revised and stirring up trouble for the border agreements already signed.

C. The issue of Taiwan remains a major one regarding Sino-Russian relations. While vigorously expanding trade and nongovernmental ties with Russia, the Taiwan authorities are also attempting to develop official relations with Russia, and they have rallied some support in Russia's political circles. Any breakthrough in the nongovernmental relations between Russia and Taiwan will seriously undermine the development of the relations between China and Russia.

Although the aforementioned problems in the Sino-Russian relations are minor, we should not treat them lightly. These problems have aroused close attention from the governments and leaders of the two countries. President Yeltsin and the Russian Foreign Ministry have time and again pointed out: "The border agreements are sacred and unchangeable. Russia will resolutely carry them out" (Report: "President Jiang Zemin Met With President Yeltsin," dated 9 May 1995, RENMIN RIBAO). Yeltsin also specially promulgated a presidential order on Russia's relations with Taiwan, stressing that Russia will not enter into official contacts with Taiwan and that the order be executed in the whole country. The Chinese Government highly appraised the firm stand taken by President Yeltsin and the Russian Government towards Russia's relations with China, and regarded it as a reliable guarantee to the development of the bilateral relations. The leaders of the two countries have reached a mutual understanding on the development of constructive partnership relations for the 21st century, and stated that the enhancement of the Sino-Russian relations is not a matter of expediency. It tallies with the long-term interests of the two countries, and will definitely bring benefit to the peoples of the two countries. The new type state-to-state relations between China and Russia has eliminated reasons such as ideological differences and changes in internal political situation in affecting the bilateral relations. The settlement of problems left over from history has completely removed the obstacles between us, and laid a foundation in writing a new chapter for the relations between the two countries. The peoples of both countries are able to overcome the obstacles in history. They will certainly be able to solve the problems that they are up against. The prospects in the development of the Sino-Russian relations are unlimited and spacious.

Near East & South Asia

PRC: Nepali Finance Minister Resigns on Moral Charges

OW3107095896 Beijing XINHUA in English
0946 GMT 31 Jul 96

[FBIS Transcribed Text] Kathmandu, July 31 (XINHUA) — Nepali Finance Minister Ram Sharan Mahat resigned today after an opposition lawmaker last Thursday accused him of illegally holding a personal account in a New York bank, which some MPs pointed out violated the country's foreign exchange law.

Mahat today announced his resignation in the lower house where the regular proceeding had been stalled for the last four days as opposition MPs raised legal and moral questions against him and refused to start discussion on the government's budget plan.

MPs of the main opposition Communist Party of Nepal (CPN-UML) asked Mahat to resign on moral grounds, saying they would carry out regular business of the house session only after Mahat's ouster.

Nepal's foreign exchange law prohibits any Nepali national living in Nepal from possessing any foreign bank account unless permitted by the country's central bank.

Mahat, who had worked as an economist in the United Nations from 1988 to 1991, said he opened the account in the New York bank in 1988 and failed to transfer it to Nepal in time as there were unsettled claims between him and the UN agency he had worked with.

However, he said that he was innocent and the money in his bank account was the earnings from his UN service.

Mahat returned home from his UN service in 1991, and was elected into the lower house representing the Nepali Congress (NC) party in the 1991 election.

He became finance minister last September when the NC-led three-party government under Prime Minister Sher Bahadur Deuba was formed to replace the minority communist UML government.

PRC: Nepali Lower House Session 'Disrupted' by Resignation Call

OW3107054796 Beijing XINHUA in English
0522 GMT 31 Jul 96

[FBIS Transcribed Text] Kathmandu, July 31 (XINHUA) — The regular proceeding of Nepal's lower house session has been disrupted for the last few days as opposition lawmakers demanded the resignation of Finance Minister Ram Sharan Mahat before starting discussion on the government's budget.

The house meeting was adjourned for the fourth consecutive day Tuesday [30 July] when MPs of the main opposition the Communist Party of Nepal (CPN-UML) continued demanding the ouster of Mahat for his holding a personal account in a US bank.

A CPN-UML MP revealed last Thursday that the finance minister has an account in a New York bank with nearly 47,000 US dollars five years after he returned home from United Nations Development Program (UNDP) service.

Nepal's foreign exchange law prohibits any Nepali national living in Nepal from holding foreign bank account unless permitted by the Central Bank of Nepal.

MPs of the opposition have been raising legal and moral questions against Mahat in parliament and asked him to resign in the last few days.

However, the finance minister defended that he was innocent because his money in the account was not illegal.

He also said that he had registered in Nepal Rastra bank, the central bank, for transfer of his foreign account to Nepal earlier this month and the bank had approved his application.

But CPN-UML President Man Mohan Adhikari Tuesday accused Mahat of abusing his authority by planting document in the central bank to prove his innocence.

Adhikari said at the lower house that the issue could be settled only after the finance minister's resignation.

He said that one minister's mistake could bring his coalition government down.

Mahat is from Prime Minister Sher Bahadur Deuba's Nepali Congress (NC) party, which is leading the three-party government formed last September to replace the then minority CPN-UML government.

Sub-Saharan Africa

PRC: Delegation Leaves for Three-Nation African Tour

OW2907171296 Beijing XINHUA in English
1503 GMT 29 Jul 96

[FBIS Transcribed Text] Beijing, July 29 (XINHUA) — A delegation of the International Liaison Department of the Chinese Communist Party Central Committee led by its deputy head Huan Guoying left here today for visits to Eritrea, Kenya and Seychelles.

The delegation was invited by the People's Front for Democracy and Justice of Eritrea, the Kenya African

National Union and the Seychelles People's Progressive Front.

PRC: Beijing, Mali Sign Two Agricultural Cooperation Agreements

OW3007035696 Beijing XINHUA Domestic Service in Chinese 0224 GMT 29 Jul 96

[By reporter Xi Gang]

[FBIS Translated Text] Dakar, 28 Jul (XINHUA) — According to news from Bamako, China and Mali signed

two agricultural cooperation agreements in Bamako on the night of 27 July.

The agreements stipulate that China will assist Mali in building a peanut butter factory, a farm implements assembly factory, and a phosphate chemical fertilizer factory. The China-Mali agricultural cooperation agreements were signed during the conclusion of a visit to Mali by Zhang Yanxi, Chinese vice minister of agriculture.

Political & Social

PRC: Li Peng: 'Chinese People Can Overcome All Difficulties'

OW2807153596 Beijing XINHUA in English
1528 GMT 28 Jul 96

[FBIS Transcribed Text] Tangshan, July 28 (XINHUA) — Chinese Premier Li Peng today praised the spirit of the community which braved unimaginable difficulties after an earthquake that shocked the world.

Premier Li was leading commemorations to mark the 20th anniversary of the devastating quake which virtually leveled the northern China city of Tangshan in 1976.

Addressing a grand gathering, Li said that Chinese people can overcome all difficulties under the leadership of the Chinese Communist Party.

The quake, which occurred in the middle of the night as most people slept July 28, 1976, destroyed the industrial city of north China, leaving 240,000 dead and another 160,000 seriously injured. Western media had described Tangshan as the city that had been wiped off the face of the earth.

Li Peng expressed heartfelt condolences on behalf of the CPC Central Committee and the State Council, to the people killed in the century's worst earthquake, which measured 7.8 on the Richter Scale.

The premier spoke highly of the Tangshan people, who braved unimaginable difficulties to win victory in the after-quake relief work and reconstruction to ensure that their city was born again.

He said that the outstanding success of the earthquake relief work, and the restoration and development work, had once again proven incontrovertibly that the Chinese Communist Party is the leading core of the socialist cause, the socialist system is the correct choice of the Chinese people, and the Chinese People's Liberation Army - who were in the vanguard of the relief work - is the people's own army.

Li added that the changes that have taken place in the new city display that with the spirit of self-reliance and hard working, the Chinese people can bridge all kinds of difficulties.

He stressed that the spirit should be played to the full, since Chinese people are striving to modernize the country, which calls for hard efforts of people spanning several generations.

He urged the Chinese people to look forward and seize the historical opportunity to bring about a brighter future for the nation.

The premier also called for closer ties between the Party, the Government and the broad masses, adding that the basic principle of serving the people whole-heartedly should be adhered to.

Also, he called on the whole nation to push ahead with the cause of building socialism with Chinese characteristics as guided by Deng Xiaoping's theory and led by the Party Central Committee with General Secretary Jiang Zemin as the core.

Li Peng and his party arrived in Tangshan on July 27. He inspected the Anju Project (Comfort Living), paid visits to homes of local families, factories and met people crippled in the quake, as well as orphans who survived the earthquake.

The commemorations took place in a city described as China's most quake-proof city, after planners decided that never again would their community suffer the horrors of an earthquake.

PRC: Jiang Zemin Inspects Tangshan

OW2907020196 Beijing XINHUA Domestic Service
in Chinese 0859 GMT 27 Jul 96

[By reporters Zhu Youdi and Wang Fujie]

[FBIS Translated Text] Tangshan, 27 Jul (XINHUA) — On the 20th anniversary of combating the earthquake and rescuing the victims in Tangshan and the 20th anniversary of the construction of new Tangshan, Jiang Zemin, general secretary of the CPC Central Committee, state president, and chairman of the Central Military Commission [CMC], inspected Tangshan on 26 July. After hearing a report, he pointed out that the moving deeds of combating the earthquake and rescuing the victims in Tangshan, the rapid construction of new Tangshan, and the remarkable achievements scored by Tangshan people in reform and opening up to the outside world have demonstrated to people a profound historical truth that under CPC leadership, the people of all nationalities throughout the country can overcome any kind of difficulty or peril and create any kind of miracle in this world if they unite as one, work hard, and give full play to the socialist system's superiority.

On the morning of 26 July, Comrade Jiang Zemin, accompanied by CMC Vice Chairman Zhang Wannian, Hebei party Secretary Cheng Weigao, Hebei Governor Ye Liansong, Beijing Military Region commander Li Laizhu, and Tangshan city leaders, laid a wreath at the Monument in Memory of Tangshan's Fight Against the Earthquake and then visited the Tangshan Antiquake Memorial Hall. Jiang Zemin deeply mourned the compatriots who were killed in the quake and those martyrs who heroically sacrificed their lives in the fight against

the quake, and paid high tribute to the workers, peasants, People's Liberation Army [PLA] commanders and fighters, and the masses of cadres who made great contributions to the earthquake relief work. He also extended heartfelt congratulations to the people of Tangshan who have scored great achievements in the construction of new Tangshan and in reform and opening up to the outside world in the past 20 years.

Comrade Jiang Zemin went to Kangfu Village to call on handicapped people who were paralyzed in the big earthquake. Wang Baozhan, Wang Xiaohui, and others were the first batch of people who moved into this village. When the general secretary stepped into Wang Baozhan's house, the athlete who won three gold medals for the motherland at the Sixth Far East and South Pacific Games for the Disabled was very excited. Seated on a bed, Jiang Zemin, in a concerned manner, inquired about their working and living conditions: Can you people move around freely in your daily life? When you go to town in your wheelchairs, do you have difficulties when the wind blows and snow falls? Wang Baozhan said: We do not have problems in our daily lives. On Sundays, young volunteers come to help us. When it rains, we can go out in electric cars. The general secretary felt comfortable and smiled. More than 20 Kangfu villagers, who were in wheelchairs, gathered at the village entrance to welcome General Secretary Jiang Zemin by warmly applauding. Jiang Zemin encouraged them to unite, assist one another, overcome their disabilities, and be strong in their daily lives. He also donated health-recovering body building equipment to each family.

While in Tangshan, Jiang Zemin also inspected the site of the Hebei College of Science and Engineering, which was destroyed by the quake, called on residents in Nanlixiaoqu, visited kindergartens, and met with Dang Yuxin, an orphan as a result of the earthquake; Wei Shuxiang, a model in supporting the army; and Zheng Rongxiang, a hero in combating the quake.

After hearing the Hebei and Tangshan work reports, Jiang Zemin said that in a single moment, the big earthquake that occurred 20 years ago reduced Tangshan, a city with more than 100 years of history and with a population of 1 million, to ruins. It was an irresistible serious natural disaster that shocked people at home and abroad. After 20 years, Tangshan has not died out but has become more developed and prosperous. Now, a new Tangshan, with strong development momentum, is standing rock firm in the motherland's vast land. Tangshan's heroic people have accomplished tremendous achievements in rebuilding their homes by working hard.

Jiang Zemin stressed: The Chinese nation and people have tremendous cohesive force and creativity. With such cohesive force and creativity, we will be able to withstand all kinds of rigorous tests on our advance, including the tests of serious difficulties and tremendous disasters; be able to control our own destiny; and constantly improve our lives. In the process of combating the quake and rescuing victims and building new Tangshan, a noble spiritual strength was demonstrated by the masses of cadres and people. It was the spirit of working for the public selflessly, sharing weal and woe, and advancing bravely and indomitably in spite of setbacks. This spirit is not only a valuable asset of the people of Tangshan, but is also a valuable asset of the people of the whole country.

Tangshan is an industrial city with 100 years of history. Jiang Zemin also inspected the Tangshan Ceramics Corporation, the Jidong Cement Plant, and other state-owned enterprises to learn about their history and their present state of development. Jiang Zemin said: While deepening the reform of state-owned enterprises, we must pay attention to their technical transformation. To fundamentally transform our country's economic growth mode from being extensive to being intensive, we must immediately make vigorous efforts to strengthen technical transformation in state-owned enterprises, especially in old enterprises, so as to help them bring about technical progress and heighten their production and competition ability.

Comrade Jiang Zemin also stressed: In opening up wider to the outside world, while it is necessary to continue to introduce and make good use of foreign capital and to strengthen Sino-foreign economic and technological cooperation, we must also strive to protect and develop our national industry.

During the inspection, Jiang Zemin also visited a PLA unit stationed in Tangshan to call on the fighters undergoing training. He also inspected the Officers Training Center there. Affirming the major contributions made by the PLA in combating the quake and rescuing victims in Tangshan and in building new Tangshan, Jiang Zemin encouraged the unit to score greater achievements in the new situation. He said: The 1 August army founding anniversary is approaching. Here, I extend festival congratulations to the commanders and fighters, the officers and men of the Armed Police, and reserve units of the whole Army, as well as to the masses of militiamen. I hope you will continue to inherit and carry forward the glorious tradition of our Army; strengthen army-civilian unity; and strive to build our Army into an iron great wall for protecting the motherland and protecting reform, opening up, and the socialist modernization drive.

Also accompanying Jiang Zemin during the inspection were responsible comrades from the party Central Committee and relevant State Council departments, including Zeng Qinghong, Chen Jinhua, Wang Zhongyu, Hou Jie, Teng Wensheng, Chen Zhangli, and You Xigui.

PRC: Jiang Zemin Visits Earthquake Victims in Tangshan

OW2707105896 Beijing XINHUA in English
0943 GMT 27 Jul 96

[FBIS Transcribed Text] Tangshan, July 27 (XINHUA) — Chinese president Jiang Zemin said the rebirth of Tangshan and remarkable achievements the city has made since the 1976 catastrophic earthquake demonstrate once again the superiority of socialism.

President Jiang visited Tangshan in Hebei province on the morning of July 26. He laid a basket of flowers before the monument to the earthquake in the center of the city and then visited the museum commemorating the event. There he mourned with deep grief the people killed in the earthquake and the martyrs who died in earthquake rescue operations. 240,000 people were killed on July 28, 1976.

Jiang visited a "rehabilitation village" where those disabled and paralyzed survivors are taken care of. He presented as a gift rehabilitation and gym facilities to every "villager".

President Jiang also heard reports from leading officials of Hebei province and Tangshan. Jiang said the earthquake 20 years ago reduced Tangshan, a city with 100 years' history and one million population, to ruins. That was an irresistible natural disaster that shocked the country and the world.

Two decades has past, but Tangshan, instead of disappearing from the face of the earth, has become more prosperous, the president said.

Jiang also inspected state-owned firms, including Tangshan Ceramics Co. and Jidong Cement Co.

Jiang also visited a unit of Chinese People's Liberation Army stationed in Tangshan.

Among those accompanying the president were Zhang Wannian, vice-chairman of the Central Military Commission, leaders of Hebei province and Tangshan city.

PRC: Quake Publicity Activities Held in Beijing

OW2807020596 Beijing XINHUA in English
0159 GMT 28 Jul 96

[FBIS Transcribed Text] Beijing, July 28 (XINHUA) — The State Seismological Bureau and the Beijing Municipal Government are jointly holding various activi-

ties across the capital city today for publicizing anti-earthquake and quake-relief knowledge.

The move is designed to mark the 20th anniversary of the Tangshan Earthquake, which rocked the north China industrial city with a magnitude of 7.8 on the Richter Scale on July 28, 1976, killing more than 240,000 people and almost demolishing the city.

As many as 12 publicity and consulting sites are arranged along the major streets of the city, disseminating materials, providing consulting services, and broadcasting video programs.

The activities will also include ten meetings on knowledge about anti-earthquake and quake-relief efforts, and it will be spread to suburban counties.

PRC: Qiao Shi Urges Quicker Pace in Economic Reform

OW2707133396 Beijing XINHUA in English
1329 GMT 27 Jul 96

[FBIS Transcribed Text] Shenyang, July 27 (XINHUA) — Bolder steps and a quicker pace are necessary for reforms in state enterprises and the technical transformation of old industrial bases, the Chairman of the National People's Congress Standing Committee has said.

Qiao Shi made the remark during an inspection tour in northeast China's Liaoning Province from July 20-26, where he noted that Liaoning has made progress in both urban and rural economic development.

The chairman made an inspection to a number of factories, companies, economic development zones and rural households in Liaoning, an old and important industrial base in the country, and expressed his satisfaction with their achievements.

He urged local authorities to pay great attention to both industrial and agricultural development and work to further narrow the urban-rural economic gap.

Qiao showed concern for the reform of the state enterprises, and urged them to make earnest efforts and take bolder steps to carry out various changes.

He stressed that under the socialist market economy, state enterprises must sharpen their competitive edges and give full play to their superiorities, in order to expand their shares in both domestic and international markets.

On July 23, the chairman visited Anshan Iron and Steel Company, where he was employed in the 1950s. He praised the company's achievements in enterprise reform and technical transformation.

He called on the steel and iron giant to make a greater contribution to the country's modernization drive.

PRC: Qian Qichen Returns from ASEAN Meetings

OW2607152796 Beijing XINHUA in English
1432 GMT 26 Jul 96

[FBIS Transcribed Text] Beijing, July 26 (XINHUA) — Chinese Vice-Premier and Foreign Minister Qian Qichen returned here today from ASEAN meetings.

Qian had attended the Third Foreign Ministers' Meeting of the ASEAN Regional Forum in Jakarta and the following meeting between the ASEAN and its dialogue countries.

Prior to the ASEAN meetings, Qian made official visits to Papua New Guinea, Fiji and Western Samoa.

PRC: Former Lecturer Put Under 'Indefinite Detention'

HK2907064096 Hong Kong SOUTH CHINA
MORNING POST in English 27 Jul 96 p 6

[By staff reporter]

[PTS Transcribed Text for FBIS] A theoretician at an underground trade union movement has been put under "indefinite detention" in Guizhou province, according to relatives and friends.

Yuan Hongbing, a former law lecturer at Beijing University, was arrested by security officials in the capital in early 1994 for allegedly taking part in "counter-revolutionary activities".

He was then sent to Guiyang, capital of south western Guizhou province where he had spent time as a youth.

His friends said yesterday he had recently been confined to the library of an academic institution in Guiyang. "Yuan is not allowed to leave the premises," a friend said. "Public security officials have given him hints that he will have to stay there unless there is a policy change in Beijing."

Yuan has not been formally charged with an offence. "He still gets the same salary that he used to get at Beijing University. Nobody has explained to him the legal status of his detention," the friend said.

Yuan's fellow law professors in Beijing say his detention is against Chinese laws.

Yuan's wife, a journalist in a semi-official news agency in Beijing, was allowed to visit her husband, but she did not have enough money to make the long trip frequently relatives said.

Dissidents in Beijing say Yuan is being penalised for providing legal and theoretical help to China's

underground trade-union movement. But they insist the lecturer, who has undertaken extensive research of labour issues, is committed to seeking a peaceful change to the system.

PRC: Justice Minister Issues Permits for Foreign Law Firms

HK3007082896 Hong Kong WEN WEI PO in Chinese
28 Jun 96 p A4

["Special Article" by Staff Reporter Fang Hsiao-Yi (2455 2556 1837): "Xiao Yang on Foreign Lawyers Practicing in China"]

[PTS Translated Excerpts for FBIS] Beijing, 27 June—Justice Minister Xiao Yang yesterday attended a ceremony at which he issued permits to a number of foreign law firms allowing them to set up offices in China. After the ceremony, Minister Xiao Yang told reporters that China's decision on allowing foreign, Hong Kong, and Macao law firms to set up offices on the mainland shows that China has taken an important step forward in legal reform. The decision has concretely embodied China's opening up policy.

73 Foreign Law Firms

Justice Minister Xiao Yang stated: Facts in the last few years have proven that foreign and Hong Kong law firms have, by virtue of their business activities, played a positive role in encouraging foreign and overseas entrepreneurs to invest in and carry out economic and technological cooperation with China; in promoting China's opening up to the outside world as well as external economic and trade development; and in enhancing exchanges and cooperation between China's legal circles and overseas legal circles. The foreign law firms have also provided China's legal system with beneficial and useful reference points through their operating procedures and management experiences.

It was learned that China first allowed foreign law firms to set up offices, on a trial basis, in July 1992. The Chinese Ministry of Justice has so far issued permits to some 73 foreign and Hong Kong law firms, allowing them to set up offices in Beijing, Shanghai, Guangzhou, Shenzhen, Haikou, Suzhou, and other cities. [passage omitted on comments by U.S. lawyer]

Tu Wei-Chiang, founder of the Hong Kong-based Tu Wei-Chiang Law Firm, told reporters: My office has smoothly conducted business on the mainland. Over the past few years, many overseas commercial institutions have sought opportunities for development in China. But whether or not they can successfully do business in China is often determined by whether or not they have access to quality and reliable legal advice. My office

has rich experience and a wide range of connections in China. We have helped clients from all walks of life in Hong Kong in doing business in China; cooperated with many long-standing mainland law firms; and provided a wide range of legal services to clients, including areas such as Sino-foreign joint venture operations, technology transfers, housing and real estate sales and leasing, China trade contracts, loan contracts, commercial dispute settlement, and so on.

Hong Kong Lawyers Promote Communication Between Two Sides

Tu Wei-Chiang told reporters: Hong Kong will return to the motherland on 1 July 1997. Because Hong Kong's legal system greatly differs from the mainland legal system, however, my firm will try to maintain and enhance communication between Hong Kong's legal circles and mainland legal circles. I am pleased to obtain a permit for opening an office on the mainland. I hope we will be able to provide more legal services to the Chinese on behalf of Hong Kong's legal circles and to help mainland legal circles lift their professional standards. For instance, we will help mainland lawyers improve their English.

Dr. Nasir, former Jordanian justice minister and senator and president of the Arab Lawyers Association, told reporters: After setting up an office in Beijing, we will try to contribute more to economic and trade exchanges and all types of legal business between the Arab and African countries and China.

PRC: Officials Warned Against Using Students for Ceremonies

OW2807142796 Beijing XINHUA in English
1419 GMT 28 Jul 96

[FBIS Transcribed Text] Beijing, July 28 (XINHUA) — Work units and colleges using students to put out a welcoming mat for visitors face being carpeted.

China's State Council has issued a circular announcing that units are now forbidden from taking children from their lessons in class to participate in welcoming or seeing-off ceremonies without official approval.

According to the China Education Daily, some officials or departments are organizing primary and secondary school students to serve at meetings, visits or ceremonies, instead of attending lessons at school.

The General Office of the State Council pointed out that departments or individuals should not disrupt normal education in schools.

The city government in Wangjiang County, in east China's Anhui province, asked nearly 100 local students

earlier this year to welcome a delegation on a visit to the region.

Many children suffered illness because of the cold drizzle weather, and to make matters worse they missed their lessons.

The circular said that departments at all levels should strictly obey the rules and regulations, pointing out that they have no rights to organize students to participate in welcome or farewell ceremonies without the approval from province-level departments in charge of education.

PRC: State To Focus on Improving, Updating Archive System

HK2907063296 Beijing CHINA DAILY in English
27 Jul 96 p 1

[By Zhu Baoxia: "China To Update Archive System"]

[PTS Transcribed Text for FBIS] With a total collection of over 176 million volumes of documents in 3,589 archives, China now has one of the world's largest stores of archives, Chinese officials said.

However, the country still lags behind some developed countries in facilities and techniques for document preservation, said an official from the State Archives Bureau.

Liu Guoneng, deputy director of the State Archives Bureau said that the State will focus on improving facilities for archives and researching new techniques for document storage and preservation in the coming years.

Liu said the country will further expand co-operation with foreign counterparts to absorb some of the latest technical and management skills.

Liu said the upcoming 13th International Congress on Archives to be held in Beijing will greatly promote the development of Chinese archives work and also further heighten public awareness of the importance of archive work in the country.

By last week, nearly 2,000 people from 119 countries and districts have registered to attend the Congress, which will open at Beijing International Convention Centre on the first Monday in September.

The theme for the Congress is "archives work by the end of the century—review and expectations."

Sponsored by the State Archives Bureau, the six-day event includes an open forum, symposia for different academic committees and exhibitions for the latest archives storage techniques and achievements.

The Congress will also select a new term of council members for the International Council of Archives.

According to Liu, the country has established a unique archives administration system over the past four decades.

At present, there are 2,711 archives administrations at the central, provincial, and local levels.

The State promulgated the Archives Law in 1987 to standardize archives administration and documents keeping. The law was revised last month.

PRC: Commemorative Coins Mark Reincarnation of 10th Panchen

*OW2907134496 Beijing XINHUA in English
1330 GMT 29 Jul 96*

[FBIS Transcribed Text] Beijing, July 29 (XINHUA) — China has issued 11,995 gold and silver souvenir badges to mark the reincarnation of the 10th Panchen Lama.

This is the first time that China has made gold and silver commemorative coins for a living buddha, an event that has attracted great attention from both home and abroad.

Senior lamas and monks from the Zhaxi Lhunbo Lamasery, the residence for successive Panchen Lamas in Tibet, held an inauguration ceremony for the unveiling of the special Buddha image coins.

The reincarnated boy of the late 10th Panchen Lama was chosen in front of the statue of Sakyamuni last December through the practice of lot drawing from a gold urn strictly in line with religious rituals.

The 11th Panchen Lama was then approved by the central government and enthroned on December 8 last year.

To mark the great event, and advance the panchens' spirit of loving the country and Buddhism, the Tibetan branch of the People's Bank of China arranged for the minting and circulation of the set of commemorative coins at home and abroad.

Pagbalha Geleg Nemgyai, vice-chairman of the Standing Committee of the National People's Congress and vice-president of the Buddhist Association of China, handwrote the name for the badge.

Each set includes a gold and two silver coins. The gold coin carries the image of the late 10th Panchen Lama on the front and his successor, the 11th Panchen Lama on the reverse side.

One silver coin portrays the gold urn on the front and the gold seal of the 11th Panchen Lama on the reverse; the other coin shows Sakyamuni on the front and the Zhaxi Lhunbo Lamasery on the opposite side.

PRC: Li Lanqing Says Officials 'Must Pay Attention' to Food Supply

*OW3007161596 Beijing XINHUA in English
1557 GMT 30 Jul 96*

[FBIS Transcribed Text] Beidaihe, July 30 (XINHUA) — Chinese Vice-Premier Li Lanqing said today that officials must pay attention to food supplies for Chinese people. He told a meeting in Beidaihe that a major responsibility system must be implemented.

Leading officials from 17 large and medium-sized cities and relevant ministries and commissions under the State Council attended a meeting to discuss reforming the system of circulating foodstuffs other than grain. It ended today after several days of talks.

The non-grain food supply project, or what is termed as the "shopping-basket project" or the "vegetable-basket project", has been officially implemented in China since 1989.

The vice-premier said that the supply of vegetables and other non-grain foods was a matter of great concern for the broad masses. The issue is closely associated with the effort to control price hikes and central government's macro-economic regulation.

PRC: Crime and Punishment in PRC for 3-31 July HK3107013496

[PTS Report for FBIS] The following is a compilation of reports on crime, investigations, trials, sentencings, and other judicial-related activities in the PRC monitored by the Publications Translation Section of the U.S. Consulate General in Hong Kong during the period 3-31 July 1996: **75 Policemen Killed in "Strike Hard" Campaign**

At least 75 policemen were killed in the first two months of China's "Strike Hard" campaign, the Beijing FAZHI RIBAO reported yesterday. The paper said another 3,000 police officers had been seriously injured and another 11 given awards for bravery between the end of April and the end of June. (Hong Kong HONGKONG STANDARD in English 19 Jul 96 p 6) **"Strike Hard" Campaign Reduces Crime Rate by 16 Percent in Guangdong**

Chen Shaoji, director of the Guangdong provincial public security department, announced on 8 July that over the previous three months, public security departments across the province cracked over 30,000 criminal cases, including 20,000 major ones, destroying over 5,000 criminal gangs consisting of over 20,000 people, recapturing over 5,000 escaped prisoners, and seizing over 3,000 illegal firearms of different types, 1,000 kg of

heroin, and over 300 million yuan worth of stolen goods and money. As a result, the crime rate in Guangdong dropped by 16.5 percent in June as compared to May, and the number of serious violent crimes, such as homicide, robbery, kidnapping, and carjacking, also dropped slightly. (Hong Kong WEN WEI PO in Chinese 9 Jul 96 p A3) **Fourteen Criminals Executed in Shantou on 26 July**

The Shantou City Intermediate People's Court held a public rally on 26 July at which 42 criminals were sentenced. Fourteen of the defendants were sentenced to death for intentional homicide and robbery and immediately executed after the meeting. Another 12 criminals were sentenced to death with a two-year reprieve or to life imprisonment, while 16 others were given long sentences. (Hong Kong TA KUNG PAO in Chinese 27 Jul 96 p A4) **Guangdong Officials Punished for Helping Smugglers**

Nine senior cadres in Guangdong's Huidong County have been punished for protecting smugglers. The racket was uncovered after senior investigators from Beijing took over the investigation. Huidong, midway between Guangzhou and Shantou, was known for many years to be a safe haven for smugglers.

The nine cadres were accused of helping smugglers move 109,000 tonnes of goods worth an estimated 440 million yuan into China between December 1994 and November 1995. The most senior cadres involved were Huidong County party secretary Li Xipeng and county government head Li Binnan. Both men were stripped of their official duties. Also arrested were Huidong police chief Zhang Zhicheng, his deputy Fang Shouquan, deputy finance chief Lin Dingyou, and Yuan Yaonan, head of the Industrial and Commercial Bureau. Deputy county government head Bai Yesi and Anti-Smuggling Office Director Ma Huanxin were held for further investigation.

Investigators said the cadres approved the safe passage of 16,691 truckloads of smuggled goods. During the investigation, 35 people, including the nine county officials, were arrested and 192 smuggled vehicles recovered. (Hong Kong SOUTH CHINA MORNING POST in English 27 Jul 96 p 7) **450 Punished for Corruption in Hunan Companies**

Noticing that some managers became richer while their state-run companies operated at a loss, prosecutors in Hunan Province took steps to end corruption. In the first six months of 1996, 318 loss-making state-run companies were investigated, and 450 people were punished for corruption and dereliction of duty, while over 27 million yuan were recovered. (Beijing RENMIN

RIBAO in Chinese 26 Jul 96 p 3) **Report Sees Increasing Piracy in Regional Waters**

The International Maritime Bureau Regional Piracy Center has reported an increase in the number of attacks in the Hong Kong- China-Macao area, as well as a dramatic surge in piracy in the waters off Thailand for the first time in several years. The bureau, based in Kuala Lumpur, detailed 87 attacks in the first six months of the year, one more than for the same period last year and almost twice the number for that period in 1994.

John Martin, the bureau's regional manager, also expressed concern that authorities did not take action against pirates. He singled out the hijacking of the cargo vessel Anna Sierra off Vietnam last September. The ship was detained by Chinese authorities in Beihai, Guanxi Province, but no action has been taken against the highjackers. (Hong Kong SOUTH CHINA MORNING POST in English 27 Jul 96 p 3)

***PRC: Future of SEZ's in Economic Reform, Development Centers**

96CM0368A Beijing QIUSHI [SEEKING TRUTH] in Chinese 16 Apr 96 No 8, pp 44-47

[Article by Wu Chengrong (0702 2052 2837), Lin Yanchao (2651 5888 6389) and Feng Binlin (1409 2430 2651) of the CPC Fujian Province, Xiamen City CPC Committee Propaganda Department and the Xiamen University Political Science Department: "Looking at the Future Position of the SEZ From Their Dual Functions"]

[FBIS Translated Text] China's SEZ [Special Economic Zones] are experimental, pioneering and model zones for reform and opening and modernization. They are also important port cities with strategic locations, economic centers that drive and organize regional economic development. This is what we mean when we refer to the SEZ's "dual importance". By taking this approach to studying the SEZ, we will come to understand more fully their developmental system and advantages, realize more comprehensively their contributions and achievements in historical process and so more accurately predict the future role and status of the SEZ.

Urban SEZ and SEZ Cities

A typical Chinese SEZ is a mutual association and promotion between the SEZ and city. During reform and opening, it is easy to see the role the SEZ policy has played in urban development. If the SEZ had not been established, then places such as Shenzhen, Zhuhai, Shantou and Xiamen would probably be insignificant small cities instead of the bustling cities we see today.

Why have there been such massive changes in SEZ cities since the SEZ were established?

Establishing SEZ in strategic port city locations, intensively applying special policies, rapidly pushing reform and opening, easily has the effect of condensing policies to create the favorable conditions and environment for opening and reform and system upgrades. This has radiative power and attractive force. This sort of policy effect and the mutual association from their original regional geographic locations (neighboring on Hong Kong, Macao and the famous hometowns of overseas Chinese, with their good, deep water ports, have become channels for overseas Chinese to enter China and to intersect with the Chinese and foreign economies) rapidly gives them a comparative advantage which enables them to absorb a great deal of key elements of production, such as international and domestic capital, technology and talents, etc. When these production key elements are organized into a new production system, the city's attractive effect appears and significantly expands the overall production forces, which is the city's efficiency of scale. This sort of overall efficiency further concentrates production key elements' on a larger scale, which means that concentrated investment brings more investment while concentrated technology and talent brings more technology and talent.

The impact of the SEZ policy has been to create the SEZ city's attraction effect, and the city's "attraction effect" has in turn strengthened the SEZ policy effect. Various professional talents gather from everywhere in the SEZ, bringing in such things as advanced technology and modernized operation management systems, factors greatly strengthening the SEZ's vitality, providing powerful impetus to SEZ content reform and system reform, promoting SEZ's opening up and reform, pushing the SEZ city into a rapid development track, for miraculously rapid growth of city scale and capacity. The accumulated energy radiates unstopably towards the surrounding area; the advanced technology, operational system and management experience expands out with SEZ enterprises' investment to the outside area, while modern social divisions and production key elements' organizational form expand as SEZ enterprises cooperate with inland enterprises. Larger scale overall efficiency occurs when the modern production system in the SEZ extends to the surrounding area, benefitting not only the surrounding area but the SEZ itself. This is because it extends and perfects its resource allocation, strengthens its position as an economic center and creates even newer attractions.

So we can see that there is a consecutive, mutually driven system (chain effect) of policy effect to attraction effect to a radiating-out effect which causes a consec-

utive mutual driven system (chain effect) taking place in the SEZ-city association, an important reason for the SEZ developing at a high rate of speed rarely seen in other, ordinary cities.

The success of SEZ has made the SEZ cities rid themselves as quickly as possible of the limitations imposed by the old system, exceed their original regional scale of production and market demand and the limits of their economic development phase through concentrated application of special policies to cities with outstanding regional advantages of location under China's realistic conditions. It seizes the favorable opportunities presented by the big adjustment in the global economic structure, attracting key elements of production on a international scale, organizing production and sales and then greatly accelerating the SEZ city's "polarization" and the process of its driving the regional economy. The function of SEZ policy is to create an environment of reforming and opening up, strengthening the SEZ city's attraction and radiating-out function.

In the SEZ-city mutual promotion process, it is worth noting that there is another aspect, and this is the city's role in promoting the SEZ's policy application and reform and opening up. SEZ city development not only is the result of reform and opening up but also an active cause of the SEZ's reform and opening up and the physical foundation of applying special policies.

First, putting the SEZ in port cities located in strategic regional positions, merging into one entity the pioneers in opening and reform and the regional economy's "increasing polarization," the "engine" driving modernization, has given the SEZ both rich content and influential scale which cannot be beaten by overseas general processing and export zones or free trade zones. A SEZ is not only a single function zone for attracting foreign capital and developing export processing industries or transit trade, it also has the dual mission of creating a road for the country's reform and opening and modernization and leading regional economic development. It serves to reform the economic system, to develop widespread international economic linkage functions, to gather key elements of production, and to organize strong functioning of the production forces system. A SEZ is not a "hanging land" isolated from its surrounding area, but a large-scale comprehensive economic center where special policies are implemented. If we say that the four SEZ cities such as Shenzhen were gradually formed and developed as economic centers (expanding from small, regional economic centers to big, regional economic centers), then the development of Pudong has represented this characteristic from the very outset. Although Pudong is not called a SEZ, it actually represents the highest level of opening SEZ

policy so far in China, and its goal is very clear: to reshape Shanghai's international economic central position and function, driving the economic development of the Changjiang delta and the entire Changjiang river valley.

Second, putting a SEZ in a strategically located port city is to put the SEZ at a point where history and the future, China and the world, socialism and capitalism all intersect in time and space. It gathers various major problems in China's modernization process, and moves ahead of others to explore their resolution and channels under relatively favorable conditions. Each developmental measure in a SEZ city, each aspect of work in its economic center, all create new areas for opening and reform, raises new demands and creates new circumstances. The SEZ city's development procedure in itself is a continuous expansion of the exploration and experimental scale, a continuous exploration of the depth and breadth of reform and opening, and a process of continuously upgrading the SEZ policy's detailed content and operating form.

Leading Development and Driving Development

Building the socialist market economic system is a great and difficult project. It will be decided by adjusting the production relationships and upgrading the economic system as well as relying on developing the production forces and societal divisions. In this process, the SEZ will play an important role in two aspects: one, continuing to bring its pioneering function into play, being a leader in constructing the socialist market system and creating more successful experience for the whole country; on the other hand maximizing its function as an economic center to lead the adjustment and upgrading of the regional economic mix and promoting formation and development of the regional division system and regional market.

The hard part in constructing the socialist market economic system is not only that such areas as the enterprise, labor employment, social security, market operational, and market management systems, etc. must all be created, but that there must also be adjustment of the complex interest relationships, defining cross functions and duties. The SEZ must also vigorously push market system construction under the precondition of guaranteeing steady development of the economy and society, besides making macroeconomic structural adjustments and approaching macroeconomic management system adjustments in stages, they also need a certain amount of partial breakthroughs to have more comprehensive successful experiences to encourage and stabilize people's minds and create roads for nationwide market economic system construction and steady development.

First, as pioneering areas for reform and opening, more than 10 years of exploration, development and experimentation have put the SEZ far ahead of the rest of the nation in the creation of a system. With developing toward large-scale, long-term modernization for overseas investment, the SEZ's opening to outside areas has developed gradually from manufacturing industries and infrastructure to the tertiary industries of finance, trade, information, and real estate, etc. A great group of market operational subjects and the participation of intermediate service organizations has correspondingly introduced the modern international market's common operational system into the SEZ. This provides particularly favorable conditions for building the SEZ's modernization system, market system and market operation system; meanwhile, it also provides the channels for this by introducing the international market system to push establishment of the SEZ's socialist market economic system.

Second, looking at an overview of the situation, state-owned enterprises in the SEZ have grown rapidly along with the vigorous development of the SEZ, their economic gross volume and technical level far ahead of what they were in the past. At present, these enterprises are facing two situations and two choices: one type of enterprise is developing rapidly toward a modernized big enterprise through such forms as joint ventures, cooperation with domestic or overseas enterprises, or by absorbing advanced enterprise operational management systems. The proportion of this type of enterprise in SEZ state-owned economic gross volume is growing, and establishment of the modern enterprise system is the inevitable choice for these enterprises; the other type are those enterprises which are shrinking because of their unsuitability for tough market competition. The future is clear for this type of enterprise: they will either move closer to the first type of enterprise and become one of them, or they will choose bankruptcy, closing and changing the business. For the SEZ's state-owned enterprises, no matter what choice is made, the power of the market itself will play a role. In addition, the SEZ's advanced reform in the labor employment and social security system, and the prosperous SEZ economy are all creating more opportunities for workers. We can say that the SEZ have the lightest burden in constructing the socialist market economic system.

Third, the SEZ's have achieved a great deal toward adjusting the interest relationships, separating administration and enterprise, changing government functions, dividing functions and power among each level of government and each department of government. With strong economic development, people's conception that the

"cake is bigger" has changed a great deal, and the conditions for resolving problems have gradually matured.

Therefore, in the unprecedented macroscopic project of constructing the socialist market economic system, the SEZ should naturally play a "pioneering" role.

Unified national markets have been established based on regional markets. Formation and development of regional markets is a vital part of constructing the socialist market economic system in China. Regional markets' development and regional economies' integrated development are actually the same procedure. As the regional economic center, the SEZ city will, through larger scale attraction and greater expansion outward, play its "dragon head" function in construction of regional markets and development of regional economies.

At present, as each SEZ city shows an accelerated trend to attract key elements of production, the port function is becoming increasingly prominent. The current situation and trend indicates that the SEZ cities should or will be able to: expand the gross economic volume in the SEZ; rapidly upgrade the industrial mix; construct focal regional market centers; comprehensively improve the center cities' role to give the SEZ cities sufficient economic capacity and ability to promote reform of the regional industrial mix, enterprise organization structure and space structure; push the establishment of regionally divided cooperative systems and regional markets to spur the "takeoff" of regional economies; and create and build specific channels and effective forms for accomplishing prosperity together under socialist conditions.

Intermediate Cities and International Cities

As the rapidly growing Chinese economy intersects and merges with the world's economy, it brings motivation and vitality to world economic development and creates wide opportunities and conditions for China's economic development. However, China is a big country with unbalanced economic development, and developing and perfecting its market will take time; on the other hand, the world's economy is being restructured on an unprecedented scale, and world markets being shaken as never before. In these circumstances, the conjunction of the Chinese market and the international market, the merger of the Chinese economy and the world economy will by no means be easy to accomplish. But this exactly the place where the SEZ can play a role. As experimental areas for reform and windows of opening, the SEZ should try to connect with the international market as soon as possible, and bring into play their role as intermediary transfer stations connecting the world and domestic markets. As economic centers, SEZ cities should further gather the key elements of

production key elements on the international scale, organize production and circulation, and bring into play their role as international cities.

The major restructuring and globalization of the world's economy presents both opportunities and conditions for Chinese economic development as well as challenges and tests. The globalization of production increases the opportunities to absorb transnational enterprise investment and technical transactions, but at the same time competition within an industry becomes tougher; the globalization of the financial industry increases the channels for use of international capital, but meanwhile usage of capital "at the speed of light" makes for very high risk; restructuring of the world economy is favorable for entering the market, but also creates a disorder in the international economy which can mask crises. It is obvious that we should seize the opportunity to accelerate the connection and integration of the Chinese economy with that of the work in order to take the fullest advantage of international resources, push China's economic development and improve China's position in the world economic pattern. However, we must also be very careful to avoid risks, reduce setbacks and improve our ability to control international economic change.

Successful integration of a developing large country's relatively slow developing market with an unstable international market requires a group of "transaction stations" that can connect the two markets. In the present circumstances, SEZ cities are most suitable to assume this role. As intermediary cities linking the international and domestic markets, they must first of all have economic operating systems compatible with the international market, complying with international practice in economic contacts. This is precisely the aspect the SEZ's have always stressed and done well, so they have the conditions to make progress. In addition, as intermediary cities, SEZ's inevitably will greatly improve their degree of opening; this gives them an international comparative advantage enabling them to stand the international competition. Vigorous development of an export oriented economy is the SEZ cities' objective, and their economies are now highly oriented to exports; not only does this allow for further opening, the cities' own self-development demands further opening to some degree.

What must be noted here is that in the pattern of comprehensive opening formed in China, there are still differences in the focus, level and degree of opening. Overall opening does not mean automatic integration with the world market, let alone a total "defenselessness." It is precisely because there are so many risks involved in opening toward the outside that the SEZ pioneering function is needed; it is

precisely because there are so many differences between the China market and world market that the SEZ intermediary function is needed.

As the centers of a large-scale comprehensive economy implementing special policies, expanding their opening to the outside and strengthening their economic capacity, the SEZ cities will also further expand their influence overseas, playing more of a role as international cities. This is demanded by the development of the globalized economy and a prerequisite for the Chinese economy going to the world, as well as the inevitable result of SEZ export-oriented economic development.

Economic globalization means wide international division and cooperation, internationalization on an unprecedented scale in research, development, production, sales and service and circulation of the key elements of production. This requires groups of international cities that will gather these key elements of production on the international scale, organize production and circulation, and through cooperation between international cities link them with the country's different economic regions. This requirement will bring fundamental changes to the layout of international cities, with newly developing nations having many vigorous big cities joining the modern international city groups. With the development of China's export economy, especially with economic development of the coastal area's export economy, this situation will bring forth a group of new type of international cities in China's strategic coastal location. SEZ cities will develop through attracting foreign investment and through wide international economic contact, and a high degree of internationalization will be the developing trend of SEZ cities. More transnational enterprises will gather in the SEZ cities, and the more export oriented a SEZ economy is, the stronger the SEZ city will be in organizing international production and circulation. Therefore, as long as the SEZ's continue to attract domestic and international investment and to develop export oriented economies, they will inevitably develop toward the direction of international cities. Right now, this trend is reflected in the fact that each SEZ city has taken constructing the international city as its strategic goal.

From being "intermediary transaction stations" linking the international and domestic markets to becoming modernized international metropolises are concrete evidences of the SEZ's pioneering function and economic center function in the process of opening to the outside.

***PRC: Development of Civil Affairs in 1995**
96CM0426A Beijing ZHONGGUO SHEHUI BAO
in Chinese 11 May 96 p 2

[Article by PRC Ministry of Civil Affairs: "1995 Statistics Communique on Development of Civil Affairs"]

[FBIS Translated Text] The year 1995 was the last year for the Eighth Five-Year Plan. The civil affairs departments at various levels had continuously implemented the basic guideline of "seizing the current opportunity to deepen the reform and open China wider to the outside world, promoting development and maintaining stability" laid down by the CPC Central Committee and the spirit of the 10th National Conference on Civil Affairs; and scored new achievements in carrying out work in civil affairs. Facilities for civil affairs were continuously improved, social security institutions further reformed, basic-level democratic organs of state power strengthened, and people's basic rights and interests safeguarded. The major problems were that there were not enough state funds for the development of facilities related to civil affairs. The additional government funds appropriated to help the disabled and survivors of those who died in the line of duty, the poor and needy, and the people in disaster areas failed to keep pace with the rising commodity price.

I. Rural Social Security

1. Disaster Relief

Judging from the impact of natural disasters on agricultural production, the year 1995 was one that witnessed moderate natural disasters. Judging from the damages caused by the natural disasters, the year 1995 was one that witnessed some fairly serious natural disasters. The total area of farmland in which crops were affected by natural disasters was 45.33 million ha, of which the disaster area was 22 million ha and the area in which all crops were lost was 5.6 million ha. A total of 4.39 million houses collapsed, and 15.2 million houses were damaged. Approximately 240 million people were affected by natural disasters, of whom 5,561 people died. Direct economic losses from the natural disasters amounted to 186.3 billion yuan. The central and local governments had come to the rescue in a timely manner, distributed 235 million yuan of relief fund, provided afflicted people with food and shelters and helped them move to safe areas. They had made proper arrangements to help more than 10 million disaster-stricken people to properly settle down. Over 40 million afflicted people were given relief food, clothes, shelters and medical treatments. The system for natural disaster relief had improved. The amount of relief funds provided by local

authorities at various levels had made up 19.1 percent of the total amount of relief outlay.

2. Rural Social Relief

Social relief was carried out together with the help-the-poor program. The state and the society helped a total of 31.528 million needy people. The civil affairs departments supported 6.963 million poverty-stricken families. In 1995, 1.938 million poor families shook off poverty, accounting for 27.8 percent of the total number of poor people. The rural "five guarantees" policy was properly carried out, and 2.414 million people throughout the country were supported by the collective under this policy. A total of 1.86 billion yuan were raised to support these people. The state also helped support 260,000 people in this category.

3. Rural Social Old-Age Pension Insurance

The program of rural social old-age pension insurance had rapidly developed, receiving warm welcome from a large number of peasants. In 1995, a total of 51.428 million people joined the rural social old-age pension insurance program, and paid insurance fees amounting to 3.67 billion yuan, marking respective increases of 47.8 percent and 119.8 percent over 1994. Each policy holder paid 71.4 yuan in average. In 1995, 269,000 people drew from the rural social old-age pension fund, and the total amount of the old-age pension fund paid reached 98.892 million yuan. As of the end of 1995, the total cumulative amount of the rural old-age pension insurance fund in the country reached 5.95 billion yuan.

4. Development of Rural Social Security Network

The rural social security network continued to expand. The number of townships and towns covered by this national network reached 15,377, an increase of 523 over 1994. This network had covered 33 percent of the total of townships and towns in the country, a growth of 2 percent over 1994. There were 197,000 foundations and savings societies for sending relief to disaster areas and helping the poor. They had raised funds totaling 3.71 billion yuan, an increase of 900 million yuan over 1994. Homes of respect for the aged were set up in 63.2 percent of the townships in the country.

II. Social Welfare Services

Various types of social welfare facilities and homes of respect for the aged continued to develop in various townships and towns. As of the end of 1995, there were 43,000 social welfare units with a total of 976,000 beds. A total of 747,00 people used the facilities. The rate of utilization was 76.6 percent, slightly lower than 1994. There were 41,000 homes of respect for the aged and

homes for the honored sponsored by the society with a total of 802,000 beds, an increase of 1.9 percent over 1994.

Social welfare enterprises had steadily developed. There was a total of 60,000 welfare enterprises in the country, about the same number as that in 1994. The number of workers hired by these enterprises totaled 2.221 million including 939,000 handicapped workers, showing respective increases of 1.7 percent and 3.3 percent over 1994. In 1995, these welfare enterprises had created an added-value of 39.4 billion yuan, a growth of 11.7 percent. The welfare enterprises under the direct administration of the Ministry of Civil Affairs had improved their economic performances, and reduced their losses. The amount of their losses dropped from 378.02 million yuan in 1994 to 207.49 million yuan in 1995, a decline of 45.2 percent. Townships, towns, and neighborhood facilities helped 289,000 disabled people find jobs, of whom 130,000 handicapped people became self-employed in running their own businesses, representing respective increases of 24 percent and 30 percent.

Community services had rapidly improved. The number of township and town community service facilities had reached 110,000 in the country including 4,380 comprehensive service centers, representing respective increases of 15.8 percent and 8.6 percent. There were 234,000 service networks for the convenience and benefit of the people.

Breakthroughs were made in reforming the urban social relief system. More than 20 cities in the country had set up a minimum living standard for the people. The standards for social relief were raised.

	Annual Average (yuan/ person)	Growth Rate Over 1994	Comparison with Consumer Price Index for Residents
Old People Without Families, Handicapped People, and Children in Townships and Towns	1406.7	15.1	-2.0%
Poor Households in Townships and Towns	594.4	23.3	+6.2%
40 % Relief to Laid-Off and Retired Old Workers	537.8	12.7	-4.4%

Special Care to Disabled Servicemen, Survivors of Soldiers Who Died in the Line of Duty

The policy to give special care to and make special arrangements for disabled servicemen, and survivors of those who died in the line of duty was well implemented. In 1995, the state gave out various types of pension funds for people in this category totaling 2.85 billion yuan, an increase of 16.8 percent over 1994. It granted funds to comfort and compensate some 4.445 million disabled servicemen and survivors of those who died in the line of duty, accounting for 11.3 percent of the total number of people in this category. The amount of pension funds for survivors of servicemen who died in the line of duty and family members of martyred soldiers amounted to 2.3 billion yuan, an increase of 47.3 percent. The standards for granting such funds and providing subsidies to people in this category were raised.

	Annual Average (yuan/ person)	Growth Rate % Over 1994	Comparison with Consumer Price Index of Residents
Family Members of Martyrs and Soldiers Who Died in the Line of Duty	1090.0	26.5	+9.4%
Wounded, Disabled Revolutionary	559.3	10.3	-6.8%
Retired or Demobilized Soldiers	439.1	15.6	-1.5%

The task of helping demobilized compulsory and voluntary servicemen and retired army cadres was fulfilled.

There were 1,284 sanatoriums for retired army cadres, 125 health-related facilities for disabled servicemen and family members of revolutionary martyrs and army men, 1,298 homes for the honored sponsored by the state and the society, 718 units for the administration of buildings in commemoration of martyrs, and 7,067 buildings in various localities in commemoration of martyrs.

IV. Work for Social, Administrative Management, and Basic-Level Organs of State Power

1. Administrative Divisions

As of the end of 1995, there were 23 provinces; five autonomous regions; three municipalities directly under the administration of the central government; 124 prefectures (autonomous prefectures and leagues); 637 cities—210 at the prefectural level and 427 at the county level—; 1,716 counties (autonomous counties, banners, special districts and forestry districts); and 706 municipal districts in the country.

Major changes in dividing the administrative districts in 1995 were as follows: There were four new prefectural-level cities. The Huanggang Prefecture and Huangzhou City in Hubei Province were abolished, while a prefectural-level Huangzhou City was established. The Lingling Prefecture, the Yongzhou City, and the Lengshuitan City in Hunan Province were abolished, while a prefectural-level Yongzhou City was established. The Guigang City in Guangxi was upgraded to a prefectural-level city. The Fuling Prefecture and the Fuling City in Sichuan Province

were abolished, while a prefectural-level Fuling City was established. Eighteen county-level cities and nine municipal districts were newly added. The number of prefectures was reduced by three and that of counties by 19 in the country. Experiments in surveying the state boundaries were basically completed.

2. Basic-Level Organs of State Power and Autonomous Mass Organizations

As of the end of 1995, there were 17,532 townships in the country, an increase of 830 over 1994; 29,502 townships, a decrease of 1,961 over 1994; and 5,596 neighborhood offices, an increase of 224 over 1994. The work of abolishing districts and merging townships was close to the end. There were 703 county districts in the country, an increase of 365 over 1994.

There were 112,000 residents' committees in the country, an increase of 2,000 over 1994. These committees had 480,000 cadres, an average of 4.3 cadres for each residents' committee. There were 932,000 villagers' committees, a decrease of 74,000 over 1994. These committees had 4,004 million cadres, a decline of 580,000 over 1994. Each villagers' committee had an average of 4.3 cadres working for it.

Activities to show villages how to exercise autonomy were carried out on a larger scale. There were 63 model counties (cities and districts), 3,917 model townships and towns, and 82,266 model villages to show villagers how to exercise autonomy. This created a situation in which there were model counties (cities and districts) in every province, model townships and towns in every prefecture, and model villages in every county (city, district).

3. Mass Organizations

Good results were achieved in strengthening the management of mass organizations. In 1995, 12,931 mass organizations had registered themselves with the approval of the civil affairs departments at various levels. Of these organizations, 109 were at the national and interregional level; 1,365 were at the provincial level. The registration of 159 mass organizations at and above the provincial level was nullified. As of the end of 1995, there were 182,000 mass organizations at and above the county level in the country, of which 1,841 were at the national and interregional level and 19,001 were at the provincial level.

4. Marriage

In 1995, a total of 9.63 million couples applied to get married in the whole country, and 9.297 million applications were approved in accordance with the "Marriage Law," an increase of 7,000 couples over

1994. That was a year with the lowest growth rate in recent years. The rate of marriage was only 15.4 per thousand. In 1995, 1.731 million couples filed applications for divorce with the marriage registration department and the people's court, of whom 1.055 million couples were divorced, an increase of 74,000 couples over 1994. The divorce rate was 1.75 per thousand, an increase of 0.1 per thousand over 1994.

5. Funeral Services

In 1995, 2,627 bodies were cremated. The rate of cremation was 33.2 percent, a drop of 0.2 percent over 1994. The public cemeteries under the administration of various civil affairs departments handled the remains of 8,516 bodies.

(h3) Fundraising and Input

Funding for civil affairs had increased. In 1995, the total state expenditures on civil affairs facilities amounted to 10.35 billion yuan, accounting for 1.52 percent of the total state expenditures. Of this amount, funds for the disabled and survivors of those who died in the line of duty totaled 2.85 billion yuan, funds for the retired 630 million yuan, pension funds 1.31 billion yuan, funds for social relief and welfare 1.97 billion yuan, funds for natural disasters relief 2.35 billion yuan, and other civil affairs administrative fees 1.24 billion yuan.

In 1995, the value of completed infrastructural facilities for civil affairs was 950 million yuan, accounting for 0.13 percent of the total value of infrastructural facilities in the country.

The Ministry of Civil Affairs accepted social donations at home and abroad as relief funds for natural disasters, totalling 18 million yuan. These funds were used to help afflicted people in disaster areas according to the wishes of the donors.

*PRC: Progress Reported on Family Planning in Rural Areas

96CM0425A Beijing ZHONGGUO RENKOU BAO
in Chinese 17 May 96 p 2

["Report on the Progress of the 'Three-in-One' Family Planning Work" prepared by the State Family Planning Commission dated 20 March 1996]

[FBIS Translated Text] The Party's Central Committee, the State Council:

Since the beginning of the 1990's, in conformity with the new situation of reform, opening up, and the establishment of a socialist market economic structure, and on the basis of summing up the masses' practice and assimilating useful foreign experience, provinces

including Jilin, Liaoning, Sichuan, Jiangsu, and so on have combined the rural family planning work with economic development, with the effort to help peasants head for moderate prosperity through diligent labor. And the building of civilized, happy families (the "three-in-one" combination for short), has been universally welcomed by the broad masses. Over the past few years, the "three-in-one" family planning work has been incrementally conducted in various localities throughout the country, and has registered very good results. In the meantime, we have explored a new way to take control of the family planning work under the new situation, to tackle the population problem in a comprehensive way, and to give impetus to the economic and social development in coordination with population. Here, we should like to report on the relevant conditions as below:

Both the focal and difficult points of China's family planning work lie in the rural areas. On the one hand, peasants are more deeply influenced by traditional concepts, and on the other, owing to the relatively low development level of the productive forces, some practical difficulties of the peasants in the course of practicing family planning have not been properly resolved, so that many families with fewer children could not become prosperous faster and, therefore, have a lot of worries remaining. The masses in rural areas are not satisfied with some practices in the current family planning work, which has affected the relations between the party and the masses and between cadres and the masses. As early as the 1970's and 1980's, in order to take firm and proper control of the family planning work in rural areas, some localities began exploring ways to gain experience in integrating family planning with assisting the poor and with the development of production. Since the beginning of the 1990's, under the unified leadership of the party committees and governments, some localities have grasped in a unified way the development of rural economy and the family planning work simultaneously. They have organized peasant households who practiced family planning through various forms, helped work out plans for having fewer children and achieving earlier prosperity, supported the establishment of one to two relatively stable projects for peasants to become rich, and provided services for production, living, and child-bearing in many ways, so that their income would be higher than the local average level and the road of "three-in-one" combination would gradually take shape. The core of the road is to focus on economic construction as a center, get closer to peasants' strong aspirations for developing production, breaking away from poverty, and becoming prosperous, as well as their requirements for building civilized, happy families, and, through helping them develop economy and increase income, let them realize their vital interests

and understand that practicing family planning not only meets the state's requirement but also brings benefits to their families and themselves, thus arousing their inner motive power for the practice of family planning. The principal characteristic of the road is: To pay attention to the aforementioned "combination" rather than purely grasping family planning in isolation. Under the unified leadership of the party committees and governments, we should pay attention to the organic integration of the rural work in diverse aspects, the linkage of various policies, and the close cooperation of the forces from different departments and various sectors, so as to guarantee the mutual complementarity of the family planning work with the economic work and the building of spiritual civilization. We should stress the needs of introducing the interest guiding mechanism into the family planning work, giving appropriate preferential treatment to the peasant households who practice family planning in terms of policies, projects, funds, and technology to boost agriculture, and helping them overcome difficulties in production, living, and child-bearing, so that they will become prosperous as quickly as possible. Practice has proved that where the "three-in-one" family planning work is relatively well conducted, remarkable achievements have been attained.

In a bid to summarize and disseminate the experience gained in the "three-in-one" family planning work and to positively and steadily carry out the work in the vast rural areas nationwide, the State Council convened the National "Three-in-One" Family Planning Work Experience Exchange Meeting in Chengdu City, Sichuan Province, in October 1995. The meeting maintained that the practice of the "three-in-one" combination is the only way to further take firm and proper control of the family planning work in rural areas under the new situation and an effective way to develop rural economy, intensify the building of spiritual civilization in rural areas, and promote the common prosperity among the peasants. Through practicing the "three-in-one" combination, we can fully release the enthusiasm of pertinent departments, and facilitate the formation of a new phase for tackling the rural population problem in a comprehensive way, enhancing women's economic and social standing and their own quality, and bringing about further emancipation of women. This is of vital significance to promoting overall social progress.

After the above meeting in Chengdu, new headway has been made by various localities in the family planning work. A number of provincial, autonomous regional, and municipal party committees and governments have made decisions calling for all localities to take the "three-in-one" combination as a major event in their rural work, further defining the duties of vari-

ous departments, and formulating policies and measures to encourage peasants to have fewer children and become prosperous faster. In many localities, personnel of agriculture related departments have been transferred to strengthen the leading groups in charge of population and family planning work, and coordinating organizations for the "three-in-one" family planning work have been established. Various pertinent departments should conscientiously put into effect the guidelines of the "Notification on Paying Serious Attention to Rural 'Three-in-One' Family Planning Work" and "Document No. 242 Under the Reference of 'Politics' issued by the State Family Planning Commission," jointly published by the State Family Planning Commission, the State Science and Technology Commission, the Ministry of Agriculture, the Ministry of Forestry, the Ministry of Water Resources, the Ministry of Public Health, the General Office of Assisting the Poor under the State Council, the Agricultural Bank of China, the Head Office of the National Supply and Marketing Cooperatives, and the All-China Women's Federation, and incorporate the "three-in-one" combination into the work plan in their departments. At present, a new situation is gradually taking shape, in which party and government chiefs take the lead, various departments coordinate, and the masses participate in the endeavor to vigorously and steadily push forward the "three-in-one" family planning work and to bring about the coordinated population, economic, and social development.

Judging from the practice in various localities, it is necessary to settle the following problems before we can positively and steadily push forward the "three-in-one" family planning work in the vast rural areas:

I. Reach a Common Understanding Among Cadres

The PRC's Outline of the Ninth Five-Year Plan for the National Economic and Social Development and the Long-Term Targets Through the Year 2010 adopted at the Fourth Session of the Eighth National People's Congress ((NPC)) proposed that the nation's population be controlled within 1.3 billion by 2000 and 1.4 billion by 2010. This is an important condition for achieving the magnificent objective in China's economic and social development that will span this century and the next. In order to comprehensively achieve this objective of struggle, we must reach a common understanding among cadres with the guidelines of the Fifth Plenary Session of the 14th CPC Central Committee and the Fourth Session of the Eighth NPC, and realize the importance and urgency of the population problem from the strategic high plane of sustainable development. The population growth must be suited to the development of social productive forces, and economic development must be coordinated with resource environment.

The basic national policy of family planning must be unswervingly implemented to strictly control the population growth and vigorously heighten the population quality. We should persistently ensure that things will "not be changed in three aspects": The existing family planning policy will not be changed, the set objectives of population control will not be changed, and the practice of principal leaders at all levels taking up personal and overall responsibilities for the work will not be changed. We should put into effect the principle of laying stress on propaganda and education, on contraception, and on regular work in a comprehensive way while positively and steadily performing the "three-in-one" family planning work. We should work hard to bring about the "two changes" in the thinking and working methods with regard to family planning: To change from the previous practice of grasping the family planning work in isolation to the method of closely combining it with economic and social development and adopting comprehensive measures to solve the population problem; and to change from the practice of giving priority to social restraints to gradually establishing a mechanism characterized by the integration of interest guidance with social restraints, and the unity in propaganda and education, comprehensive services, and scientific management, so as to enable the family planning work to gradually enter a new stage of benign cycle.

II. Earnestly Intensify Leadership

The family planning work is a system of social engineering, and only under the unified leadership of party committees and governments at various levels and the coordinated and collective involvement and management by various departments concerned can the work be properly carried on and pursued. The principal party and government leaders at various levels should personally take charge of and assume overall responsibility for the fulfillment of economic development and population plans, and at the same time, they should personally take charge of and assume overall responsibility for the practice of the "three-in-one" combination, guide and assist the masses in heading for moderate prosperity through birth control, and bring about the coordinated population, economic, and social development. Party committees and governments at various levels should earnestly intensify leadership over the "three-in-one" work; enhance overall planning, policy guidance, organizational coordination, supervision, and service work; fully arouse the initiative of pertinent departments and mass organizations; exercise comprehensive management over the population problem; and gradually form coordinated policies, measures, rules, and regulations. Leading comrades who are in charge of rural work and family planning work should organize and coordi-

nate with pertinent departments to do a good job of the "three-in-one" combination with concerted efforts. Leading cadres at all levels and pertinent departments should go down to the grass-roots units, sum up and popularize new experiences, discover and resolve problems, and repeatedly improve the "three-in-one" family planning work so as to achieve even better results.

III. Close Cooperation Is Necessary for Various Departments Concerned

It is the unshirkable duty of various departments concerned and mass organizations to carry out the basic national policy of family planning and to tackle the population problem in a comprehensive way. In framing the work plan and specific policies, various departments should take the control of rural population growth as a starting point, and have the family planning policy more properly linked up with various rural policies. The agriculture related departments should give appropriate preferential treatment to the peasant households who practice family planning in terms of policies, projects, funds, technology, and so on for agricultural development, in order to help them boost the economy and increase income. The propaganda, educational, scientific and technological, and cultural departments should integrate the family planning work with the endeavor to create "civilized villages" and "civilized families," and enliven their cultural lives through popularizing education and disseminating scientific knowledge, thus spurring the advance of the family planning work in a thoroughgoing way. The organization, personnel, and civil administration departments should link their work of intensifying the building of rural grass-roots organizations with their effort to help family planning departments establish and amplify grass-roots service networks and incrementally perfect the social security system. The public health departments should provide women and children, particularly the families that practice family planning, with technical consultancy and technical services in the areas of health care for women and children, contraception and birth control, prenatal and postnatal care, and so on. The women federations and the Communist Youth League organizations should mobilize the vast numbers of women and youth through various forms of organization to participate in the practice of the "three-in-one" combination and lead them to take the road of having fewer children and becoming prosperous faster and to advance toward moderate prosperity. The family planning departments should properly perform their own duties, provide quality services in childbirth, strengthen close cooperation with pertinent departments, and positively participate in and promote the "three-in-one" family planning work.

IV. Suit Measures to Local Conditions and Give Guidance to Different Types of Work

As the economic and social conditions and family planning work bases are different in various localities throughout the country, we must adhere to the principle of proceeding from reality, suiting our measures to local conditions, and giving guidance according to different types of work in practicing the "three-in-one" combination. All plans and measures must be adopted in light of actual local conditions, and the selected forms of combination must be suited to the local reality. We should take positive and steady steps to carry out the "three-in-one" family planning work, guard against formalism, and avoid the malpractices of rushing headlong into mass action and being overanxious for quick results. We should make experiments conscientiously and, taking the typical examples as pacesetters, use the experience of the pilot units to incrementally promote work over the entire area.

V. Earnestly Resolve the Fund Input Problem

In pursuing the "three-in-one" family planning work, we need a certain amount of funds to help peasant households who practice family planning to develop production. The solution of the funding problem primarily depends on the adjustments to the use of funds for the existing agricultural development projects, so that preferential treatment can be appropriately granted to the peasant households practicing family planning. In order to activate the "three-in-one" family planning work, party committees and governments at all levels should appropriately increase input into the work. Besides, they should raise funds through multiple channels to help peasant households practicing family planning to surmount their funding difficulties in the course of developing production.

We hereby propose that the above report, if appropriate, be endorsed and transmitted to various localities and departments.

*PRC: Gansu Environmental Status, Pollution Reported

96CM0435A Lanzhou GANSU RIBAO in Chinese
2 Jun 96 p 2

["Communique on 1995 Environmental Situation in Gansu Province" by Gansu Provincial Environmental Protection Bureau and Gansu Provincial Statistics Bureau]

[FBIS Translated Excerpt] In accordance with Article 11 of the "Law of the People's Republic of China on Environmental Protection," a public announcement is

hereby made on the 1995 environmental situation in Gansu Province.

I. Environmental Situation

A. Situation in Environmental Pollution

WASTE GAS The total amount of waste gas discharged in the whole province was 280.7 billion standard cu m., of which the amount of industrial waste gas discharged amounted to 242.5 billion standard cu m (rural enterprises not included; the same below). The amount of industrial waste gas discharged was 77,300 standard cu m per 10,000 yuan of production value. As for waste gas, the amount of smoke emitted was 178,000 tons, an increase of 6 percent; that of industrial dust 122,000 tons, an increase of 11.9 percent; and that of industrial sulfur dioxide 347,000 tons, an increase of 7.4 percent over 1994.

WASTE WATER The total amount of waste water discharged in the whole province was 480.94 million tons, an increase of 21.03 million tons or 4.57 percent over 1994. Of this amount, the amount of industrial waste water discharged was 383.93 million tons, a growth of 5.5 percent. The amount of industrial waste water discharged was 122 tons per 10,000 yuan of production value. As for industrial waste water, the amount of oxygen consumed was 60,533 tons, the amount of heavy metal (including mercury, cadmium and hexavalent chromium and lead) discharged 167.7 tons, that of volatile phenol 91.8 tons and that of petroleum properties 1,325.2 tons.

INDUSTRIAL SOLID WASTES The amount of industrial solid wastes produced was 14.32 million tons, a growth of 763,200 tons over 1994. The amount of untreated industrial solid wastes which had caused pollution was 672,000 tons, a reduction of 88,000 tons over 1994. The amount of industrial solid wastes produced per 10,000 yuan of production value was 4.56 tons. The total cumulative amount of industrial solid wastes in stockpile reached 126.879 million tons, covering an area of 19.45 million sq m.

INCIDENTS OF POLLUTION A total of 77 incidents of pollution occurred. There were 44 incidents caused by water pollution, 26 incidents by atmospheric pollution, and nine incidents by industrial solid wastes, doing direct economic damage that amounted to 2.37 million yuan. The amount of compensation paid for such incidents totaled 1.367 million yuan, and fines of 324,000 yuan were imposed.

B. Situation in Environmental Quality

QUALITY OF ATMOSPHERIC ENVIRONMENT The results from local pollution monitoring stations in 14

cities and regions showed that the quality of atmospheric environment was about the same as that in 1994. In the five cities under the direct administration of the provincial government, the air quality in Lanzhou was relatively poor, while that in Jiayuguan City was comparatively better.

In 92.8 percent of the cities, there were no significant changes in sulfur dioxide pollution. Baiyin, Zhangye, Jinchang, Lanzhou, and Wuwei surpassed the annual and daily level set for sulfur dioxide pollution. The situation in sulfur dioxide pollution improved in Baiyin, and such pollution in Zhangye still ranked second in the province.

There were no significant changes in nitrogen oxide pollution. The average annual and daily density was between 0.016 and 0.104 mg/cu m. However, the level of such pollution in Lanzhou City was still high.

The average annual and daily density of airborne dust was between 0.17 and 0.74 mg/cu m. In general, all cities surpassed the standards set by the state. Lanzhou recorded the highest value.

In 92.8 percent of the cities, there were no changes in dust pollution. For the past five years, the average annual and monthly dust pollution in the province was generally between 22.24 and 25.30 tons/sq km per month (year).

QUALITY OF RIVER ENVIRONMENT Two rivers (the Linxia Hongshui River and the Zhangye section of the Heihe River) were major rivers that were associated with Category I functions. Their pollution was monitored by the province. The former was of moderate pollution, while the quality of water was relatively good in the latter. Among the nine rivers that were associated with Category II functions, 77.8 percent of them are of moderate or mild pollution. Pollution remained serious in the Qingyang East River. Among the 29 sections of those rivers that were associated with Category III functions, 57.9 percent of them are of mild pollution. There were two seriously polluted river sections (the Pingliang section of the Jinghe River and the Dingxi section of the Weihe River). There were three severely polluted rivers (the Ruihe River in Pingliang, Shiyuhe River in Jiuquan, and the Jiuquan section of the Beida River). There were two moderately polluted rivers (the Malian River in Qingyang and the Qingyang West River.) Among the six river sections that were associated with Category N functions, 33.3 percent of them were mildly polluted, two of them were seriously polluted (the Shiyu River in Jiuquan and the Dingxi section of the Weihe River.) Two river sections were of moderate pollution. (the Pingliang section of the Jinghe River and the Jihe River in Tianshui). Among the rivers

and river sections that were associated with Category V functions, the Shiyanghe River in Wuwei met the water quality standards. The major pollutants were manganese, chemical substances that demand oxygen, non-ionic ammonia, and a common coliform group. Some of the rivers were seriously polluted with volatile phenol, hexivalent chromium, and heavy metals. In some specific rivers, excessive petroleum properties were found.

Pollution in the five major rivers in the province was as follows:

The main stream of the Yellow River was generally polluted by the common coliform group. Pollution in the Yellow River became more serious as it flowed toward the sea. In the Lanzhou section of the Yellow River, the average annual figures for chemical oxygen demand and petroleum properties were above the standards. The Baiyin section of the Yellow River was polluted with heavy metals (mercury, lead, and cadmium).

Along the Weihe River, pollution in the Dingxi Section was more serious than that in the Tianshui section. The major pollutants were organic substances that consume oxygen, volatile phenol, common coliform group, and non-ionic ammonia.

Along the main stream of the Jinghe River, 55 percent of the items monitored for pollution were above normal. The average value of seven items was above the standards. The pollution was quite serious. The major pollutants were non-ionic ammonia, organic substances that consume oxygen, common coliform group, and volatile phenol.

Pollution in the Shiyou River in Jiuquan remained serious. The major pollutants were volatile phenol, chemical substances that demand oxygen, and petroleum properties with their average value surpassing the standards by 199, 63.0 and 31.9 times.

Pollution in the Daxia River was relatively mild. The average annual value of hexivalent chromium in the Gannan section of the river was slightly above normal, while that of the common coliform group and mercury in the Linxia section of the river surpassed the level set by the state.

QUALITY OF RESERVOIR ENVIRONMENT The 13 water reservoirs in the province were scattered in various districts that performed with categories I, II, and III functions. Pollution in the Sangke Reservoir, the only reservoir that was associated with Category I functions, was severe. There were nine reservoirs that performed category II functions. In these reservoirs, 88.9 percent of the water was mildly polluted and fairly clean. The quality of water in the Huangcheng Reservoir and the Huangyang Reservoir was up to

the standards. The Kongtong Reservoir was moderately polluted. There were three reservoirs that performed Category III functions. In these reservoirs, 66.7 percent of water was mildly polluted. The Chijinxia Reservoir was seriously polluted.

SITUATION IN MEASUREMENT OF BIOTIC COMMUNITY Measurements of biotic community indicated that the Gansu section of the Yellow River was moderately polluted by organic substances. Structural changes in benthic community showed that organic pollution had become more serious near the Xincheng Bridge, while water pollution became less serious near the Baolan Bridge and Huangshui Bridge.

QUALITY OF NOISE ENVIRONMENT Noises in daily life and traffic noises still formed the main sources of noises in various urban areas. The average equivalent sound level in all 13 urban areas exceeded 50 db. The situation of noise pollution in various functional districts was as follows: The average equivalent sound level in residential and in cultural and educational districts was up to the standards day and night. Among the Class II mixed districts, noise environment was better in Baiyin City and Wudu City. The noise level was the lowest in industrial districts. Traffic noise pollution remained serious. The average equivalent sound level in nearly 50 percent of the cities in the province exceeded 70 db.

C. Situation in Ecological Environment

LAND The total area of land in Gansu is 454,400 sq km, ranking seventh in the nation. However, the area of cultivated land is only 3.4999 million ha, accounting for 7.7 percent of the total area of land in the province. The per capita area of cultivated land is only 0.15 ha. Also, most of the arable land is relatively infertile with low rate of cultivation. With the continuous growth of the population and insufficient cultivated land, the area of per capita arable land is gradually on the decline. The area of soil erosion in the province totalled 389,200 sq km, accounting for 86 percent of the total area of land in Gansu. Of this amount, the area of water erosion is 126,900 sq km, that of wind erosion 220,000 sq km, and that of deserts and desertified land 3.058 million ha.

FOREST AND GRASSLAND Gansu is a province with fewer forests. Right now, the area of land for forestry in the province is 5.18 million ha, of which the area of forest land is 1.95 million ha, that of scrub forests 1.72 million ha, and that of thin forests 400,000 ha. The percentage of forest cover in the province is 9.42 percent, much lower than the national average figure of 13.92 percent. The area of grasslands in the province is 15.59 million ha, accounting for 34.31 percent of the total area of land in Gansu. The area

of grasslands planted with artificial grass is 683,500 ha, that of improved grasslands 212,000 ha, and that of grasslands using the method of aerial seeding 42,500 ha. The cumulative area of fenced grasslands is 148,500 ha. Due to over-grazing, there is the spread of epidemic diseases, pests and rodents in most of the pastureland, and serious degeneration and desertification; the area of degenerated grasslands in the province now makes up more than 30 percent of the total area of pastureland.

NATURAL CONSERVATION As of the end of 1995, there were a total of 34 natural reserves in the province with a total area of 4.835 million ha, accounting for 10.64 percent of the total area of land in Gansu and registering an increase of 1 percent over 1994. Four of the natural reserves were of the national level, while 30 others were at the local level. [passage omitted]

Military & Public Security

PRC: PLA Units To Post Leaders' Inscriptions, Heroes' Pictures

OW3007063196 Beijing XINHUA Domestic Service in Chinese 1038 GMT 29 Jul 96

[By reporter Luo Yuwen]

[FBIS Translated Text] Beijing, 29 Jul (XINHUA) — With the approval of the Central Military Commission, inscriptions concerning strengthening army building written by the party's leadership core of the third generation and the pictures of six noted heroes and models prepared in a unified manner by the General Political Department will be printed and issued on the eve of "August 1" to the entire armed forces to be hung or put up by units at and above the company level. This is an important measure to strengthen the ideological and political construction of our armed forces.

The inscriptions by Comrades Mao Zedong, Deng Xiaoping, and Jiang

Zemin printed and issued this time have expressed in a concentrated manner the ardent expectations and demands on army building of the party's leadership core of the third generation. The inscription of Mao Zedong is: "A firm and correct political orientation, a work style of hard work and plain living, and flexible strategy and tactics." The inscription of Deng Xiaoping is: "Strive to build our armed forces into a powerful modern, regular, and revolutionary army." The inscription of Jiang Zemin is: "Politically qualified, militarily skillful, work style excellent, discipline strict, and supply effective."

The pictures of six noted heroes and models printed and issued this time were outstanding representatives of heroes and models that emerged during different his-

torical periods of our armed forces. They were: Zhang Side, a typical example of wholeheartedly serving the people; Dong Cunrui, who heroically sacrificed his life for the founding of New China; Huang Jiguang, who defied all difficulties and dangers; Qiu Shaoyun, who regarded observing discipline more important than his life; Lei Feng, a great communist fighter; and Su Ning, who dedicated his life to the modernization of national defense.

In order to do a good job in the work of hanging and putting up inscriptions by the party's leadership core of the third generation and the pictures of the heroes and models and in the work of propaganda and education, the General Political Department specially issued a circular a few days ago. It demands all units of the armed forces to seriously study and gain an understanding of the spirit of the inscriptions of the party's leadership core of the third generation, to consciously carry out work in all aspects in accordance with the general targets and demands of army building, to further strengthen the ideological and political construction of the armed forces, and to constantly increase combat effectiveness. It emphasizes using the brilliant deeds, lofty moral characters, and revolutionary spirit of the heroes and models to educate and inspire the units, and calls for efforts to train and bring up a generation of soldiers who have high ideals, moral integrity, better education, and a strong sense of discipline. The circular calls on commanders and fighters of the entire armed forces to take the heroes and models as examples, to carry forward the fine traditions of our armed forces, to live and act in the same way as they did, to take the road to maturity of the heroes, and to strive to render meritorious services in the great practice of building modern, regular, and revolutionary armed forces, and of defending and building the motherland.

PRC: Ceremony Held on Three-Generation Leaders' Inscriptions

OW3007060496 Beijing XINHUA Domestic Service in Chinese 0905 GMT 29 Jul 96

[By reporters Luo Yuwen and Yi Jianru: "General Political Department Holds Ceremony on Three-Generation Party Leadership Cores' Inscriptions on Strengthening Army Building"]

[FBIS Translated Text] Beijing, 29 Jul (XINHUA) — With the approval of the Central Military Commission, inscriptions by Mao Zedong, Deng Xiaoping, and Jiang Zemin on strengthening army building, and six famous heroes' portraits, both printed by the General Political Department, will be disseminated to all armed forces units. Today the General Political Department held a

dissemination ceremony in a regiment of the Beijing Garrison, during which Yu Yongbo, Central Military Commission member and director of the General Political Department, presented the three-generation party leadership cores' inscriptions to the regiment and addressed the ceremony. Xu Caihou, deputy director of the General Political Department, presented the heroes' portraits to companies' representatives.

In his speech, Yu Yongbo said that the Central Military Commission's decision on printing the three-generation leadership cores' inscriptions and the heroes' portraits and putting them up in the entire Army is an important measure for carrying out Chairman Jiang Zemin's important instructions on stressing politics and for strengthening ideological and political building in the Army. He said: The three-generation party leadership cores' inscriptions brilliantly portray the Army's character, aim, and orientation and are important principles and guidelines for the Army's construction and development. The printing and dissemination of the three-generation party leadership cores' important inscriptions have important bearings on strengthening the Army's revolutionization, modernization, and regularization and on enabling the Army to enter the 21st century with an entirely new feature. The entire armed forces should conscientiously follow the inscriptions' requirements, unremittingly uphold the party's absolute leadership over the armed forces, further strengthen their political firmness, and maintain a high degree of unanimity with the party Central Committee in ideology, politics, and action; they should unremittingly uphold the people's army's aim and character, inherit and carry forward the Army's fine tradition, solidly establish the idea of wholeheartedly serving the people, and be the defenders and builders of the great cause of building socialism with Chinese characteristics.

Yu Yongbo said: The six famous heroes are the outstanding representatives of many heroes who have emerged in the course of the Army's struggle for almost 70 years. They embody the fine tradition of the people's army, and their heroic exploits and lofty character greatly encourage the new generation in their growth and play an exemplary role. A hero is a banner. The purpose of reprinting and putting up these famous heroes' portraits is to encourage officers and soldiers to inherit and carry forward the Army's fine tradition, to live as heroes do, and to form a rich atmosphere of learning from heroes, following the tracks of the heroes, and creating heroic deeds in the entire armed forces.

Yu Yongbo pointed out: All armed forces units should pay attention to building a good political environment and use correct politics and ideology as well as healthy ideology and culture that could permeate throughout the

military camps. In coordination with the current putting up of the three-generation party leadership cores' inscriptions and the heroes' portraits, all armed forces units should organize officers and soldiers in conscientiously studying the inscriptions, in deeply understanding and implementing the gist of the inscriptions, and in reviewing the armed forces' work according to the general target for army building in this new period and the general requirements by the "five sentences." Hanging and putting up the three-generation party leadership cores' inscriptions and the heroes' portraits in a unified manner and extensively carrying out the activity of studying the inscriptions and learning from the heroes will help encourage officers and soldiers in the entire armed forces to more closely unite around the party Central Committee with Comrade Jiang Zemin as the core and the Central Military Commission, to enhance the Army's revolutionization, modernization, and regularization to a new level.

Gu Shanqing, political commissar of the Beijing Military Region, and others attended today's ceremony.

PRC: Article Calls for Promoting Study Activity in PLA

HK3107090096 Beijing JIEFANGJUN BAO
in Chinese 17 Jul 96 p 1

[Commentator's Article: "Actively Unfold Study Activity"]

[PTS Translated Text for FBIS] A study activity with a main theme of "fostering a new study trend and becoming 'four haves' servicemen" is being fully carried out under the joint sponsorship of the PLA [People's Liberation Army] General Political Department's Cultural Section, the CPC Organization Department, and JIEFANGJUN BAO, and with the approval of the PLA General Political Department's leadership. This study activity will include the following contents: Soliciting articles to promote study activity, holding the fourth gathering to publicly appraise "contemporary servicemen's favorite books published by army publishing houses," and army publishing houses donating books to some grassroots army units. This activity will integrate book publication, book reading, and the use of books to further push forward the mass study activity in the whole army, so that it can play an even greater role in the building of spiritual civilization in the PLA.

The Fifth Plenary Session of the 14th CPC Central Committee pointed out: It is necessary to assign a prominent position to the building of socialist spiritual civilization. In recent years, President Jiang Zemin has stressed: We must pay attention to study, politics, and a healthy atmosphere. This is of strong guiding

significance to the building of spiritual civilization in our army. Bringing up "four haves" servicemen and improving the ideological, moral, scientific, and educational quality of the broad masses of our officers and men is a fundamental task in the building of spiritual civilization in our troops. Reading and studying is an important channel for unifying ideological thinking, enhancing understanding, keeping spirits up, nourishing the soul, acquiring knowledge, and improving quality. We must understand the importance and role of reading and studying from the high plane of strengthening the building of spiritual civilization in the army, include it in our important work agenda, and grasp it conscientiously.

The present study activity with the above-mentioned main theme is also a review of the work of our army publishing houses. Publication work in the army has shouldered an important responsibility with regard to ideological and political building and the building of socialist spiritual civilization in our army. We must use lofty and healthy publications to occupy and purify the ideas of our officers and men and to prevent decadent ideology and culture from encroaching upon them. This is the unshirkable responsibility and duty of our army publishing houses. The fourth gathering to publicly appraise "contemporary servicemen's favorite publications" is an encouragement and supervision by the broad masses of our officers and men over our army publication work. We hope that our army publishing units will persist in propagating the main theme, produce more excellent works, and publish more good books to provide the broad masses of our officers and men with more high-quality spiritual food.

Leaders at all levels must show sufficient concern for and attach great importance to the present study activity. The purpose of study is to increase ideological consciousness, enhance work capability, serve the modernization of our country and army, and consolidate and augment the combat effectiveness of our troops. We must give prominence to this focal point by selecting and reading books that are useful to our regular ideological and political work, military training, and the improvement of scientific and educational quality of our troops. We must read these books in a diligent and solid manner. Leading organs at all levels must strengthen their investigations of the study of our officers and men and promptly provide them with specific guidance. It is necessary for us to arouse the enthusiasm of our officers and men at the grassroots level for study through various effective forms. It is necessary for us to encourage them to read more books, foster a spirit of studying hard, and create a good atmosphere of seeking knowledge and making progress. In the meantime, we must help our officers and men apply what they have learned

from books to practice. In other words, we must shift their warm enthusiasm for study to the work of grassroots officers and men of conducting themselves in society, loving the army, studying military skills, being self-taught, and striving to become revolutionary servicemen who "have ideals, morals, and knowledge, and who observe discipline."

Now is the time for us to sail across the sea. We believe that with the deepening of the present activity, an upsurge of study will be set off in our army. A new look will occur in the building of spiritual civilization and in all our work!

PRC: PLA Stresses Ideological, Political Construction

OW2407114096 Beijing XINHUA Domestic Service in Chinese 0758 GMT 23 Jul 96

[FBIS Translated Text] Beijing, 23 Jul (XINHUA) — The People's Liberation Army (PLA) and the armed police forces have conscientiously strengthened ideological and political construction, carried out "attaching importance to politics" to the letter, ensured the party's absolute leadership over the army, and promoted army building in an all-around way.

Jiang Zemin, chairman of the Central Military Commission [CMC], has on many occasions stressed the need to give priority to ideological and political construction in various aspects of army building, and demanded that leading cadres at all levels take the lead in attaching importance to education, politics, and healthy trends, and making sure that the broad masses of cadres and fighters are competent ideologically and always keep the true qualities of the people's army. To implement Chairman Jiang Zemin's instructions and guidelines to the letter and to practically carry out ideological and political construction, the CMC leaders have made several deep investigations and studies of the troops since the beginning of this year and have come up with a series of guidance opinions. Over 500 generals and nearly 4,000 office cadres throughout the army have gone down to the grassroots units to gain firsthand experience, hold positions in an acting capacity, and conduct investigations and studies in order to promote ideological and political construction in all units.

Strengthening the management of education for medium and high-ranking cadres is an important part in this year's all-army ideological and political construction. Entrusted by the PLA General Political Department, the University of National Defense has held training classes for all leading cadres of army level and above to study "Selected Works of Deng Xiaoping" on a rotational basis as well as training classes for directors of major

army propaganda departments, newspapers, and theoretical research rooms to enhance their consciousness and steadfastness in the party's basic line. Party committees of all major PLA units and armed police forces have encouraged cadres to check and review their major tasks, such as the leadership in decisionmaking, supervision on work, selection and employment of personnel, and management of financial affairs, over the past years, with a view to strengthening medium- and high-ranking cadres' consciousness of and capability in observing and handling problems from a political perspective. All units have also made strengthening medium- and high-ranking cadres' capability in resisting the corrosive influence of decadent thinking and culture, particularly of money worship, and maintaining their political steadfastness and ideological and moral purity as the major parts in their study, education, and cross-checking; they have also criticized, helped, and organized treatment for cadres having problems.

All troops have also extensively organized for party members the education focusing on studying and obeying the party constitution with a view to comprehensively promoting the construction of the party's ideology, workstyle, and organization. Over 20,000 leading cadres at or above regimental level, including nearly 1,000 leading cadres at or above army level, have given lectures to army offices and troops. On the eve of "1 July", over 200 medium- and high-ranking leading cadres with outstanding achievements in work in connection with party affairs were commended by various major units; party members account for over 80 percent of personnel rendering meritorious service throughout the army.

In strengthening ideological and political construction, the PLA and armed police forces have also launched in-depth the campaign of emulating Kong Fansen, Xu Honggang, Li Guoan and other heroic models, so as to carry forward healthy trends; firmly resist the corrosive influence of money worship, individualism, and decadent lifestyle; and further encourage the broad masses of officers and men to display the revolutionary spirit of vying for making achievements and performing feats. When the PLA was conducting military exercises along the southeastern coast this year, the broad masses of officers and men have displayed the spirit of revolutionary heroes and guaranteed the fulfillment of important missions in the exercises. At the time of assigning work for university graduates, 40,000 graduates of all-army academies have expressed their wishes of voluntarily going to remote places where conditions are hardest to make contributions and serve the motherland.

PRC: Army Paper on Enhancing Party Cell Building—Part 1

OW3007025896 Beijing JIEFANGJUN BAO
in Chinese 11 Jul 96 p 1

[Commentator's article: "With a Strong Fortress, the Company Will Thrive — First Talk on Enhancing Grass-Roots Party Branch Building"]

[PTS Translated Text for FBIS] Enhancing grass-roots party branch building is one of the two key links to doing a good job of all-army ideological and political building this year. Experiences have proven that "company building will thrive with the role of the party branch as a fortress being strong." To carry out the general requirement of Chairman Jiang's "five sentences" and enhance grass-roots building in a comprehensive way, it is imperative to grasp firmly and well the key link of grass-roots party branch building in a down-to-earth manner.

Historical experiences have proven that adherence to setting up a party branch in a company, laying a solid foundation of grass-roots party cells is our glorious tradition and is a political strong point peculiar to our Army. Only by making grass-roots party branches staunch, will it be able to maintain always the quality of the people's army, guarantee maintaining a high-level unanimity with the Central Committee and the Central Military Commission with Comrade Jiang Zemin as their core, and carry out the party's absolute leadership over the army at the grass roots.

Grass-roots party branches are the foundation of the party's entire work and combating effectiveness in the Army and the core of unified leadership and unity of grass-roots units. The combat fortress role of a grass-roots party branch is decisive in enhancing grass-roots building. The party line, principles and policies as well as instructions of the CMC and the Headquarters must rely on the party branch for their implementation; the administrative organization, Communist Youth League branch, and soldiers' committee rely on the party branch to implement centralized unified leadership; the enthusiasm and creativeness of the company's officers and men are to be given play through the powerful ideological and political work of the party branch; the seven constant items of work stipulated in the "Program for Army Grass-Roots Building" have to rely on the party branch to organize their implementation; all sorts of contradictions and problems surfacing in company building have to rely on the party branch to study and resolve. From the perspective of the practice in army building, the key to the fine situation of many companies in their building lies in their strong party branches; while the main cause for some grass-roots units failing to

implement work, with comparatively more problems, lies in the fact that they have done a poor job in party branch building. Such being the case, it is primarily necessary to focus on the party branch in grasping grass-roots building; when this "locomotive" is attended to, company building and all items of work will be brought along.

Generally speaking, enhancing grass-roots party branch building means doing a good job of work in a down-to-earth way, centering on strengthening leadership, improving qualities, giving play to its role, improving the party branch's ability to resolve problems of its own and lead the company's overall building. It is imperative always to put the company's ideological and political building at the top of the party branch work agenda and guarantee the political firmness as well as the ideological and moral purity of officers and men. Efforts must be focused on grasping well the education in becoming party members who are up the mark with studying the party constitution as the main content and grasping well work in helping and consolidating backward party branches. It is necessary to adopt varied forms to do a good job of on-the-job training and party branch secretaries to improve their basic qualities and ability in practical work. It is imperative to set up, complete and perfect the responsibility system along with grasping work of party branch building, and to do a good job of implementation at every level.

PRC: Army Paper on Enhancing Party Cell Building—Part 2

*OW3007025996 Beijing JIEFANGJUN BAO
in Chinese 12 Jul 96 p 1*

[Commentator's article: "Study and Observe the Party Constitution — Second Talk on Enhancing Grass-Roots Party Branch Building"]

[PTS Translated Text for FBIS] The General Political Department has decided that all-army education with studying and observing the party constitution as the main content is to be conducted this year. That is to further implement the "Decision" of the Central Committee and the Central Military Commission [CMC] on further implementing party building, a practical step to promote grass-roots party branch building and an important content for enhancing the army's ideological and political building.

The "Decision" of the Central Committee and CMC on augmenting party building explicitly indicated that it is necessary to spend three years to conduct study and education in the theory of building socialism with Chinese characteristics and the party constitution among party members. At the Fifth Plenary Session

of the 14th Central Committee, Comrade Jiang Zemin pointed out: "When we talk about strengthening political discipline, the most fundamental point is to observe the party constitution precisely and act according to its stipulations." Proceeding from the plane of emphasizing politics, we must earnestly implement the instruction of the Central Committee and the CMC and regard studying; knowing thoroughly, and observing the party constitution as an important political task. Whether they be new or veteran party members, they must further enhance their awareness and sense of pressure for studying and observing the party constitution.

In study and education in the party constitution, it is necessary to do a good job of resolving major issues existing in the contingent of party members in a down-to-earth manner. At present, it is imperative to focus on resolving problems in the following aspects: First, improving political qualities. It is imperative to educate party members, particularly leading cadres who are party members, to emphasize the political at all times, always adhere to the party's absolute leadership over the army, consciously safeguard the authority of the Central Committee and the CPC with Comrade Jiang Zemin as their core, and firmly oppose political liberalism. Second, rectifying ideological trends. It is imperative to educate party members to adhere to the high criteria for ideological and moral building, firmly bear in mind the purpose of serving the people, bring forward the spirit of working hard and perseveringly as selfless dedication, and establish the image of respecting one's work, being clean and honest, and doing substantial work; firmly oppose money worship, hedonism, and ultra-individualism. Third, strengthening the sense of discipline. It is imperative to educate party members to implement earnestly the obligations and rights stipulated in the party institution; set an example in observing party discipline and state law, army ordinances, rules and regulations as well as all sorts of stipulations; and firmly oppose any behavior that shows no sense of organization and discipline. And fourth, giving play to the backbone role. It is imperative to educate party members to play a vanguard and exemplary role in fulfilling all tasks, and earnestly resolve problems existing among some party members such as a weak exemplary role, not being good at ideological work, and divorcing themselves from the masses.

With respect to study and education in the party constitution, party committees and political departments at all levels must earnestly make arrangements, set forth explicit requirements, and strengthen checking and guidance. It is imperative to adhere to the principle to administer the party strictly, implement the spirit of rectification, and guarantee effects of the study. It

is imperative earnestly to resolve existing problems among party members in their thinking, work, style and discipline by the yardstick of the "Party Constitution." It is necessary to unfold activities extensively in vying to become fine party members and to publicize typical examples of advanced party members to consolidate and deepen the results of the education.

PRC: Army Paper on Enhancing Party Cell Building—Part 3

OW3007030096 Beijing JIEFANGJUN BAO
in Chinese 13 Jul 96 p 1

[Commentator's article: "Do a Good Job of Helping Rectification by Stages and in Groups — Third Talk on Enhancing Grass-Roots Party Branch Building"]

[PTS Translated Text for FBIS] An important task for the whole army in enhancing party building this year is precisely to do a good job of helping consolidate grass-roots party branches by stages and in groups. The chief objective of helping consolidation is to "improve qualities, give play to roles," and the major subjects are those party branches of units performing urgent, difficult, dangerous, and heavy tasks; small units that are scattered or in remote areas; and units that have comparatively more problems. This is an important measure for enhancing grass-roots building to improve the combat effectiveness of units.

Over the past two years, all units of the Army have earnestly implemented the two "decisions" on enhancing party building and the "Program for Army Grass-Roots Building" by the Central Committee and the Central Military Commission [CMC]; new progress was made in grass-roots party branch building; however, imbalance in development exists. Mainly, the units that are relatively weak in party branch building are units performing urgent, difficult, dangerous, and heavy tasks; units are scattered or in remote areas; and units that have comparatively more problems. As for those party branches of units performing urgent, difficult, dangerous, and heavy tasks, they are more often than not more frequently employed than taken care of in their building; therefore, greater efforts are urgently called for in their basic building. Regarding party branches of small units that are scattered or in remote areas, efforts must be exerted to improve their ability in resolving problems of their own and guiding company building. As for party branches of backward companies, it is imperative to help in consolidation to change their backward features. When efforts are focused on doing a good job of improving those party branches, the general level of grass-roots party branch building will be elevated to a new plane.

To help consolidation by stages and in groups, it is imperative to proceed from resolving problems, improving ability, giving play to roles, and making leadership staunch. Presently, problems of grass-roots party branches largely find expression in two aspects: first, problems in ideological style; and second, problems in qualities and ability. With respect to problems in the first category, it is imperative to implement earnestly the spirit of rectification, complete and perfect inner-party democratic life, do a good job of examining and measuring oneself by the criteria, conduct democratic appraisal through discussions, unfold criticism and self-criticism, be strict with discipline enforcement through special topic study and education to fulfill the purpose of touching people to their thinking, deepen consciousness, and resolve problems. As for problems involving quality and ability, it is necessary to keep cultivating and improving those concerned through such channels as training, passing on experiences, giving help, and setting an example for them. The ability mentioned here is that of grass-roots party branches to resolve problems of their own and guide the comprehensive building of the company in accordance with the general requirements of the "five sentences" Chairman Jiang has set forth.

Leadership at all levels, especially party committees at division and regiment levels, must place on their agenda doing a good job of helping consolidate party branches, implementing forces of leadership, specific guidance, supervising and urging. It is necessary to pay attention to helping party branch members, especially the secretary and his deputy, to summarize experiences and lessons, while refraining from making organizational adjustments rashly. It is necessary to link consolidation of the party branch with consolidation of the Communist Youth League branch and soldiers' committee, so that these two mass organizations will be complete and healthy in organization, their institutions implemented, and their work lively, thereby becoming efficient assistants to the party branch.

PRC: Army Paper on Enhancing Party Cell Building—Part 4

OW3007030196 Beijing JIEFANGJUN BAO
in Chinese 14 Jul 96 p 1

[Commentator's article: "Pay Attention to Improving Secretaries' Qualities — Fourth Talk on Enhancing Grass-Roots Party Branch Building"]

[PTS Translated Text for FBIS] The Central Military Commission's "Decision" on enhancing party building has explicitly indicated that it is imperative to "attach importance to the selection, cultivation and stability of grass-roots party branch secretaries and their deputies,"

work hard to ensure that the grass-roots party organization has "a party branch secretary up the mark." Practice has repeatedly proven that only by building a contingent of grass-roots party branch secretaries who are up the mark in a comprehensive way will it be possible to make grass-roots building enter the orbit of healthy development.

The qualities in the possession of a grass-roots branch secretary and in calling for their improvement are manifold. At present, special stress must be focused on the following aspects: First, he must have very good political and ideological qualities, be able to correctly grasp the orientation and principle for party branch and grass-roots building, be devoted to his duty, cherish the grass roots, and be willing to sacrifice and dedicate himself to army modernization; he must have firm political faith and a very strong revolutionary enterprising spirit and sense of responsibility. Second, he must have comparatively strong ability for practical work, be able to earnestly perform the party branch secretary's duties, be familiar with the fine tradition of our army's political work, the basic train of thought for building the company according to the program and the major principle for handling inner-party relationships, and have a good grasp of basic art of the "six skills." And third, he must have a fine image of himself; be able to set strict demands on himself; practice what he preaches; play an exemplary role; possess an ideological quality and work style characterized by seeking truth from facts, doing substantial work, being fair and upright, honest and clean, and practicing self-discipline.

To improve the qualities of grass-roots party branch secretaries, efforts must be focused on "selection, training, passing on experiences, helping, bringing along, and administration." Selection means genuinely appointing those fine cadres who cherish company work, have comparatively comprehensive qualities, and are able to play an exemplary role in the posts of party branch secretary and his deputy. With regard to units located in border and remote areas or scattered units, which have to carry out tasks on their own, their secretaries must be more efficient, while maintaining relative stability. Training means precisely to further complete and perfect the training mechanism of grass-roots party branch secretaries and their deputies through such forms as on-the-job training on a rotation basis, substituting conferences for training, and training through military institutes and academies, with efforts focused on improving their ability in unfolding party branch work and leading comprehensive grass-roots building. Passing on experiences means precisely that leading and organization cadres constantly pass on to grass-roots cadres their own experiences in grasping party branch work and commanding

the company. Helping means precisely that leadership at all levels must add work pressure on grass-roots cadres at various levels and set requirements for them; furthermore, they must help the latter resolve practical problems in work, study, and life. Bringing along means precisely that leading organizations must set a good example and play an exemplary role for grass-root cadres in grasping party branch building and comprehensive grass-roots building. Administration means precisely to adhere to the principle and institution through which the party administers cadres, and strengthen constant education and administration of grass-roots chief officers, while closely linking ideological style building to professional training and cultivation of the ability to improve the qualities of party branch secretaries in a comprehensive way.

True, doing a good job of bringing up and improving party branch secretaries depends on the efforts of their superiors; but more importantly, it relies on party branch secretaries' own self-conscious practice. Every party branch secretary must study assiduously and diligently, be courageous in practice, be good at exploring the law governing work, and work hard to mold himself into a "party representative" up to the mark during the new period.

PRC: Naval Units Comprehensively Examine Training Quality

*HK3107080996 Beijing JIEFANGJUN BAO
in Chinese 14 Jul 96 p 1*

[Report by Si Yanwen (0674 1750 2429), and special correspondent Wu Ruihu (0702 3843 5706): "Naval Units Comprehensively Examine Training Quality"]

[PTS Translated Text for FBIS] The East China Sea Fleet recently completed a large-scale anchor ground training that lasted for 20 days. It examined and assessed the basic training for dozens of naval vessels. The North China Sea Fleet conducted comprehensive examination of the basic training quality of its naval forces, while the South China Sea Fleet organized 16 vessels to stage contests. The naval forces recently introduced a series of important measures to raise the training quality, thus effectively promoting the practice of conducting training according to their program.

In April, naval leaders led personnel from relevant departments to painstakingly carry out a strict selective examination of basic training for naval units. The examination of the training quality showed that since all units underwent training in accordance with a new program, the level of basic training has been significantly raised. But it also found that certain leaders have a relatively weak concept of conducting training

in line with the program and of managing training in accordance with the law. The basic training for certain units was neither deep, elaborate nor practical. It missed relatively difficult and complicated courses.

The Naval CPC Committee Standing Committee specially listened to a report on the selective examination of the basic training quality of naval units. It stressed that the Navy is an army service that is highly technical, the key to which lies in basic technological training. It is essential to further strengthen the basic training through deepening the study of combat methods, raising units' ability to meet contingencies, and elevating the safety level.

All fleets should conscientiously implement the instructions of the Naval CPC Committee, comprehensively conduct examination of training quality, and increase the strength of basic training in strict accordance with the new program. The North China Sea Fleet assembled captain trainers and operational directors at all levels for training, in which they systematically acquired the knowledge of new equipment and raised their capabil-

ity to organize training fitted with new equipment. The East China Sea Fleet conducted the large-scale anchor ground training primarily for dozens of fleets undertaking the important task of combat readiness. It standardized the content, method, and standards of the training, which was divided into 15 specialities and 56 courses in the form of exercises, oral examination, and on-the-spot operation. Examination and assessment were conducted of all naval vessels participating in the training. All units have to undergo follow-up acceptance tests if they had many problems exposed in the examination conducted in April of naval training quality. The South China Sea Fleet took technical contests as the dragonhead to set up items of contests aimed at difficult and weak links in the basic training. The 89 items of contests in 11 specialities stressed the basic professional theory, naval vessels' anchorage, the operation of new equipment, battlefield rescue, antichemical defense, and other weak and difficult links, so as to guide the units to proceed from rigorous actual combat conditions in strengthening basic training.

General

PRC: Machinery Output Down, Auto Industry Up in Jan-Jun

OW2607142796 Beijing XINHUA in English
0651 GMT 26 Jul 96

[FBIS Transcribed Text] Beijing, July 26 (XINHUA) — China's machinery industry witnessed a sluggish market in the first half of this year, while the automobile industry geared up production to meet growing demand.

According to the State Statistical Bureau, production of power generating equipment totaled an equivalent of 6.71 million kw in the January-June period, down 16.18 percent from the same period of last year.

The output of metal-cutting machine tools also dipped 13.25 percent to 83,800 units in the meantime.

Production of motor vehicles, however, expanded steadily, increasing 3.74 percent to 807,000.

A total of 1.15 million small-sized tractors were produced, up 13.94 percent.

PRC: Transportation Industry Witnesses Drop in Jan-Jun

OW2607142596 Beijing XINHUA in English
0705 GMT 26 Jul 96

[FBIS Transcribed Text] Beijing, July 26 (XINHUA) — China's transportation industry witnessed a drop in both freight and passenger traffic in the first half of this year, the State Statistical Bureau said.

The volume of freight traffic totaled 1436.4 billion tons-kilometres in the six months, down two percent from the same period of last year.

The volume of passenger traffic also fell 3.2 percent to 307.2 billion persons-kilometres.

But business of major seaports kept flourishing, with a total of 397 million tons of cargo handled, an increase of nine percent.

PRC: 'Majority' of Firms Optimistic About Future Performance

OW3007121896 Beijing XINHUA in English
1153 GMT 30 Jul 96

[FBIS Transcribed Text] Beijing, July 30 (XINHUA) — The majority of the Chinese enterprises expressed their optimism about their future performance as they are expecting a more favorable macro-economic climate, according to a recent survey by the State Statistics Bureau.

The survey, which covers 10,000 firms nationwide, indicates that 39 percent of the companies forecast a

better performance during the third quarter, while 46 percent of them regard that their performance will not improve or decline. Only 13 percent of the Chinese companies deem that they would expect a downward performance.

Moreover, 36 percent of the companies surveyed expect a better macro-economic climate during the July-September period while nearly half of the companies anticipate the macro-economic climate to remain the same as in the second quarter.

China's lowering the interest rates for bank deposits and loans on May 1 has helped ease the fund shortage of Chinese companies and improved their performance, experts say, adding that quite a few people are talking about the possibility for the central bank to lower the interest rates again in view of the differences between the current interest rates and the declining price growth rates.

The survey finds that 42 percent of the Chinese enterprises reported a rise in their production volume during the second quarter over the first quarter, while production in nearly 30 percent of these enterprises remained the same as in the first.

Meanwhile, about 40 percent of the companies claimed that they have received more orders from their clients during the second quarter over the first while the equal number of the companies said that the orders they had received in the second quarter remained the same as in the first quarter.

There reported a still better, improved sales situation for enterprises during the second quarter.

It is also learned that 28 percent of the Chinese companies said that the macro-economic climate turned more favorable during the second quarter whereas only 24 percent of them took this view in the first quarter.

PRC: Investment Reported Soaring in Primary Industries

OW3107113996 Beijing XINHUA in English
1110 GMT 31 Jul 96

[FBIS Transcribed Text] Beijing, July 31 (XINHUA) — China has geared up development of its primary industries this year by expanding its fixed-asset investment in these sectors.

The farming sector received an investment of 7.731 billion yuan in the first half of this year, 25.3 percent more than in the same 1995 period, according to the State Statistical Bureau.

Such growth has helped improve conditions for grain production, which is a significant stabilizer in the Chinese economy, bureau officials said.

Meanwhile, investment in the energy industry chalked up an increase of 20.3 percent to 89.592 billion yuan in the January-June period, of which 56.093 billion yuan went to construction of power generation facilities, up 40.1 percent.

The country injected 50.065 billion yuan into the raw materials industry, 39.1 percent more than in the corresponding period last year, with the chemical industry taking the biggest share of 25.701 billion yuan, up 51.1 percent.

Investment in the transportation sector rose 16.8 percent to 59.358 billion yuan, while that in post and telecommunication jumped 33.3 percent to 20.635 billion yuan.

PRC: Internal Trade Ministry Notes 'Stable' Commodity Market

OW3007161396 Beijing ZHONGGUO XINWEN SHE
in English 1342 GMT 30 Jul 96

[FBIS Transcribed Text] Beijing, July 30 (CNS) — Commodity prices remained stable during the first half of this year with supply and demand being relatively even, said a spokesman for the Ministry of Internal Trade.

The spokesman noted that the market's stability could be attributed to several factors. First, food was in abundant supply in the first six months of the year. State-owned enterprises are holding an extra 20 billion kilograms in food reserves this year than last. Vegetable oil reserves rose by 100,000 tonnes. The price adjustment, which came into force early this month, had few impacts on the market.

Second, some commodities were in great supply while market sales continued to grow steadily. First-half retail sales have been valued at RMB 1,140 billion, up 13.1 per cent. Spending on food increased by 65.9 per cent, the greatest growth among all commodities. The best selling electrical appliance was the wide screen colour television, recording a 168.5 per cent rise in sales during the first half of the year.

Third, inflation slowed during the first half of the year. The retail price index showed inflation to be a 7.1 per cent between January and June. The main components of the increase were a rise in vegetable prices and in service charges in urban areas. Rising agriculture materials prices also played their part, with food prices increasing by seven per cent overall.

Fourth, consumers spent on a wider range of commodities and services. Savings deposits placed by urban and rural residents grew by 38.7 per cent in the first half of the year. Spending in restaurants rose by 26.3 per cent, and spending on medical insurance, recreation, education, housing, transport and communications grew substantially.

PRC: Finance Minister Reviews Jan-Jun Financial Situation

OW2907054296 Beijing XINHUA Domestic Service
in Chinese 1133 GMT 16 Jul 96

[By RENMIN RIBAO reporter Li Jianxing (2621 1696 5281) and XINHUA reporter Ding Jianming (0002 1017 6900)]

[FBIS Translated Text] Beijing, 16 Jul (XINHUA)— At a national finance meeting here today, Liu Zhongli, finance minister and concurrently director of the State General Administration of Taxation, said: Nationwide, the overall situation of financial work was good in the first half of this year. However, a lot of hard work needs to be done to complete this year's budget. In view of this, he urged finance departments nationwide to continue to resolutely implement the moderately tight financial policy in the latter half of this year, actively support economic development, earnestly tighten financial and taxation management, improve financial and taxation reform, enforce financial and economic discipline, strive to increase incomes and reduce expenditures, and ensure the completion of budgetary tasks for the whole year.

It is understood that in the first half of this year, financial and taxation departments at all levels did a lot of effective work in deepening the reform, tightening financial and taxation management, rectifying the financial and economic order, and increasing incomes while reducing expenditures in accordance with central planning. A rather high margin of growth was maintained for financial revenues across the country, and expenses were brought under effective control. According to Finance Ministry statistics from January to June, financial revenues across the country increased 17.7 percent, compared to the same period last year. These include a 7.5-percent increase in central financial revenues and a 28.3-percent increase in local financial revenues. Financial expenditures for the whole country increased 15 percent over the same period last year, with central and local financial expenditures growing 5 percent and 19.9 percent, respectively.

Liu Zhongli pointed out: Although the implementation of the state budget in the first half of the year proceeded rather normally, we must pay attention to some problems encountered in the implementation process. First,

the margin of growth in revenues dropped markedly. From January to June, the growth rate for financial revenues was 10 percentage points lower than the first quarter. Value-added tax and consumption tax collected in June nationwide were 6.2 percent higher than the same period last year. Second, there was a lot of pressure coming from the expenditure side. Although the growth in nationwide financial expenditures in the first half of this year did not outstrip that in revenues, the expenditures were far higher than the budgeted figures. Because of the reform measures that will be promulgated in the latter half of this year, and due to rather serious natural disasters in some areas, our financial expenditures will increase further. Third, the problem of enterprises owing taxes is still serious. And, fourth, the downward trend in enterprise efficiency has yet to be checked.

To ensure that we complete the state budgetary tasks for the year, Liu Zhongli urged finance departments nationwide to capitalize on their familiarity with the situation in enterprises to guide and help enterprises manage funds and costs, establish internal financial systems in enterprises, and check and reverse the downward trend in efficiency in state-owned enterprises. They should continue to coordinate with relevant departments in establishing a modern enterprise system, in optimizing the capital mix, and in conducting other experiments; and should earnestly carry out key supervisory and management tasks in 1,000 state-owned large and medium enterprises. They should strive to increase investment in agriculture; support agricultural production, particularly grain production, on a priority basis; and support scientific and technological progress in agriculture, as well as agricultural industrialization.

Liu Zhongli also urged: Taxation departments at all levels should adopt measures to collect unpaid taxes and crack down on all activities involving tax evasion and fraud. In collecting and managing taxes, we should focus on collecting consumption tax and value-added tax and delivering them to the state treasury. No region, unit, or individual is allowed to make arbitrary decisions on granting tax reductions or exemptions, or on delaying tax collection. Relevant departments should work closely to clear up taxes owed by enterprises, do a good job in ensuring the "two types of funds," and bring down the excessively high amount of tax arrears before the end of the year.

Liu Zhongli said emphatically: We must strictly and tightly control expenditures, and tighten budget management. Except for disaster relief and other special needs, finance departments will generally not grant the requests of various localities and departments for additional funds to cover expenditures. We should optimize the structure of financial expenditures and ensure

that funds are promptly delivered to meet the needs of wage payment, agriculture, education, science and technology, aid-the-poor work, and other key expenditures. Revenues in excess of the budgeted amounts in various localities must mainly be used to fight disaster, provide disaster relief, and solve problems left over from the past, including losses caused by grain policy.

Liu Zhongli pointed out: Finance departments at all levels should continue to thoroughly implement the State Council's spirit and rigorously rectify financial and economic order. In inspecting accounting work in the latter half of this year, they should focus on investigating law-breaking acts, such as keeping additional accounts, falsifying information, arbitrarily apportioning costs, and retaining state revenues. In particular, they should resolutely investigate the leaders of units and determine whether they are to blame for making suggestions or issuing instructions to accounting personnel to fabricate or temper with accounting receipts, or forcing them into doing so.

Lastly, Liu Zhongli urged: We should further improve the financial and taxation systems and promote the establishment of a financial legal system, particularly to protect financial funds. Financial and taxation departments at all levels must observe strict discipline, rigorously abide by all laws and regulations, and strictly enforce orders and prohibitions. We should further promote clean government, tighten financial supervision, and plug management loopholes so as to give criminal elements no opportunity.

PRC: Circular on Policy-Related Losses in Marketing Cooperatives

OW2907054496 Beijing XINHUA Domestic Service in Chinese 0915 GMT 15 Jul 96

[By reporter Lin Hongmei (2651 4767 2734) and He Jinsong (6320 0513 2646)]

[FBIS Translated Text] Beijing, 15 Jul (XINHUA) — Recently, eight ministries and departments — the State Planning Commission, the Ministry of Finance [MOF], the People's Bank of China [PBOC], the Auditing Administration, the State General Administration of Taxation, the All-China Federation of Supply and Marketing Cooperatives, the China Agricultural Development Bank, and the Agricultural Bank of China — issued a joint circular to transmit the "Minutes of the State Council Meeting on Studying Ways To Solve the Problem of Policy-Related Losses in Supply and Marketing Cooperatives." The "Minutes" forwarded four principles and six specific suggestions on how to deal with policy-related losses in supply and marketing cooperatives.

The "Minutes" stated: To implement the spirit of the "CPC Central Committee and State Council Decision on Deepening the Reform of Supply and Marketing Cooperatives," and in accordance with the instructions of the State Council's leading comrades, last September, the State Planning Commission took the lead in forming a task force with the MOF, the PBOC, the Auditing Administration, the State General Administration of Taxation, the All-China Federation of Supply and Marketing Cooperatives, the China Agricultural Development Bank, and the Agricultural Bank of China, to conduct a monographic study of policy-related losses incurred by supply and marketing cooperatives in the process of undertaking the assignments entrusted to them by the government, focusing on investigating and verifying the losses caused by central policies. Using statistics from the comprehensive verification and examination conducted by the Internal Trade Ministry in 1993 on policy-related losses incurred by supply and marketing cooperatives over the years, the task force verified that losses caused by central and local policies totaled 4.667 billion yuan and 13.083 billion yuan, respectively. The task force forwarded four principles on how to deal with policy-related losses in supply and marketing cooperatives: First, the burden of policy-related losses will not be allowed to bear on supply and marketing cooperatives so as to protect their rights and interests. Second, the governmental level that made the decision [leading to the losses] will be responsible for solving the problem. Third, on the basis of determining the nature of the losses and defining responsibilities, and after full consideration of the historical factors that led to the policy-related losses, finance departments, banks, taxation departments, and enterprises will make joint efforts to solve relevant problems through multiple channels. Fourth, the losses will be tackled one by one over the coming years according to our financial capabilities. In line with the above principles, the task force forwarded six suggestions on how to deal with losses incurred by supply and marketing cooperatives as a result of central policies. Specifically, they made suggestions on how to deal with advance payments on procurements that peasants have owed since the fifties, losses from sales on credit of cotton cloth and cotton wadding in 1984 and 1986, losses caused by price cuts for some commodities from 1981 to 1984, and loans with government-subsidized interest for cotton purchases that were not collected on schedule and entered in the accounts in 1993. The "Minutes" suggested: Local governments at all levels should study ways to deal with losses incurred by supply and marketing cooperatives as a result of local policies, and clear up the matter within a prescribed period.

The "Minutes" noted: Supply and marketing cooperatives have put in a lot of effort in providing comprehensive services to the agricultural sector, rural areas, and peasants. We should not drag out for too long the problem of properly recorded policy-related losses incurred by supply and marketing cooperatives over the years in the process of undertaking the assignments entrusted to them by the government. Instead, we should take into consideration both historical and practical factors and adopt appropriate measures to gradually solve the problem.

The circular asked all departments concerned to earnestly implement the spirit of the "Minutes" and carry it out in grass-roots units.

PRC: Steel Plant 'Shining Example' of Reforms

OW1907101496 Beijing XINHUA in English
0901 GMT 19 Jul 96

[FBIS Transcribed Text] Beijing, July 19 (XINHUA) — A loss-making iron and steel plant in China has been turned into a money-spinning 'gold mine'.

Now the once little-known Handan Iron and Steel Complex in Hebei province, north China, is a shining example for state-owned enterprises in the country's reform process.

Earlier this year the Chinese State Council, the country's central government, called on the whole country, money-losing state enterprises in particular, to learn how to survive the market economy by streamlining their organizations, transforming technology, strengthening management and increasing efficiency and economic control.

According to official statistics, the number of state-owned enterprises in a poor financial state went up from 30 percent in 1994, to 40 percent last year, and 45 percent in the first half of this year. It painted a grim picture for many of China's giant 'workhorse' industries.

Serving as the pillar of the country's national economy, state-owned enterprises have been forced to think deep and hard about the way of reform. However, as a combined entity their general debility has not been reduced.

Analysing the causes, experts agreed that this was because the state enterprises have shouldered heavy burdens, and been forced to struggle with worn-out and often obsolete equipment. Many of them also become used to relying on the state for living. They just waited for the state to reform, streamline and transform them. When they ran into trouble their first thought was to look

to the state for help. They did not voluntarily strengthen their own management structures, reduce production costs, or adapt themselves to the market economy.

Wu Bangguo, vice-premier of the State Council, said that one of the major causes why state-owned enterprises had a poor economic efficiency, and some were even in the red, was because they have not yet truly faced up the realities of a market economy. Neither have they got rid of the modes of pre-reform conventional planning management styles.

"To popularize the experience of the Handan Iron and Steel Complex may help carry out the in-depth reform of state-owned enterprises, and push them to the market," he said.

Founded in 1958, the complex with a force of 28,000, had been on a losing streak until 1990. Then it replaced the way of counting the costs and working out expected interest levels, before setting prices for its products. It meant the plant was able to fix acceptable market prices, and also work out its own definitive production costs.

If a production unit, or individuals, surpassed production costs, it was seen as failing to make a profit, thus affecting bonuses and wages for its employees. If they reduced both production costs and market prices, they were rewarded.

"This practice has helped foster a concept on marketing among employees, and helped them to make careful calculations and strict budgeting in their work," said Liu Hanzhang, general manager of the Handan Iron and Steel Complex.

Although the prices on the steel market have fluctuated over the past five years, the complex's output of steel rose from 1.1 million tons in 1990 to 2.15 million tons in 1995, and its profits from one million yuan to 700 million yuan.

An economist from the Development Research Center, under the State Council, said that the indexes of consumption of energy and raw materials of China's major industrial products are 30 percent to 90 percent higher than the advanced indexes of their overseas rivals in similar industries.

"If China's enterprises can reduce their production costs by five percent, and raise the rate of qualification and turnover by five percent, their economic returns will go up by 25 percent," he said.

By learning from Handan Iron and Steel Complex, the Anshan Iron and Steel Complex in Liaoning province had set a record in the production of steel and steel products in the first six months of this year, and

21 large and medium-sized state-owned enterprises reported having sound economic results after following in the footsteps of the Handan complex.

An official at the State Planning Commission acknowledged that some state-owned enterprises with better economic results are taking a wait-and-see attitude towards the Handan Iron and Steel Complex, and a few of the enterprises with operational difficulties still dream of relying on state assistance.

In view of the situation, the People's Daily, China's biggest national paper, has issued a number of commentaries and articles urging enterprises to cast away illusions, and learn in real earnest from the experience of the steel complex in a practical way. By following the example of the once-struggling iron plant they can steel themselves for survival in the market-oriented economy.

PRC: Work on Modernization of 'Pilot' Enterprises Delayed

HK3107053896 Hong Kong SOUTH CHINA MORNING POST in English 31 Jul 96 p 15

[By Willy Wo-Lap Lam]

[PTS Transcribed Text for FBIS] Hong Hu's announcement last week that work on the modernisation of 100 'pilot' enterprises would be delayed by a year has attracted little attention in the domestic and foreign media.

Yet the matter-of-fact statement by the vice-chief of the State Commission for the Reform of the Economic Structure (SCREC) is symptomatic of that constant in Chinese affairs: economic reform being sacrificed on the altar of political expediency.

According to plans unveiled in 1994, the 100 guinea-pig state enterprises should, by the end of this year, be transformed into market-oriented, financially self-sufficient businesses.

The new late-1997 deadline, of course, coincides with the Chinese Communist Party's (CCP) 15th Congress, when a new leadership line-up as well as a set of "policies for the 21st century" will be endorsed.

Pending a major initiative, reform is being bogged down by the traditional right-versus-left debate that began in the early 1980s with the wrangling between Deng Xiaoping and the late economic czar Chen Yun.

Except, of course, that this time around, advocates of Deng-style experiments are on the defensive.

In the past month, three noted Dengists have travelled to the northeast, considered a disaster zone for state enterprises, to preach the freemarket gospel.

Speaking in Heilongjiang province, the SCREC minister Li Tieying invoked the famous Deng line, "if we do not reform, there is only the road to the grave".

"We must be bold in explorations," said Mr Li, whose mother was a friend of Mr Deng's in the 1930s. "There is no established model from which we can copy."

He warned that enterprises would "deteriorate further" if they continued to use the "old method" of waiting for and relying upon government aid.

While touring the same province, former president and Deng confidant Yang Shangkun, urged local cadres to "dash forward, experiment and reform in a bold manner".

National People's Congress (NPC) chairman Qiao Shi, hoisted the Deng banner high while inspecting Liaoning province last week.

Apart from calling upon state entrepreneurs to be "bold and liberated in thoughts", he upbraided unnamed cadres for dragging their feet in reform.

"We must seize the day on building up a modern enterprise system," he said.

"Reform must not remain on the lips of officials and in party documents."

Obviously, Mr Li, Mr Yang and Mr Qiao were targeting the administration of Jiang Zemin, which had called the moratorium on fast-paced liberalisation.

In their recent speeches, neo-conservatives such as Mr Jiang, Premier Li Peng, vice-premiers Zhu Rongji and Jiang Chunyun have underscored traditional values such as ensuring the predominance of the state sector and safeguarding the status of workers as "the bosses of industry".

During a trip to Heilongjiang earlier this month, Premier Li and Vice-Premier Jiang paid homage to the paragon proletariats of Daqing Oilfield, the "model enterprise" lionised by Mao Zedong. At the same time, CCP commissars are playing up what Politburo rising star Hu Jintao called "party construction in enterprises", meaning that party cells will play a role in management that befits their status of "political cores".

Insofar as large-scale enterprises are concerned, the only action taken by the Jiang administration is to persevere with the decades-old policy of bailing out the money-losing dinosaurs with state funds. Three hundred major factories and mines, which account for 46 per cent of total industrial production value, are the biggest beneficiary of the recent relaxation of the tight-money policy.

These enterprises have absorbed about 75 per cent of the increase in loans that government banks had granted this year.

The propaganda machinery has swung into action to deflect criticism that this is a revival of the practice of "throwing good money after bad".

A commentary by the Chinese-run Hong Kong China News Agency claimed that propping up the 300 enterprises amounted to a "new policy" and "a new road" for reform. In the same vein, State Planning Commission Minister Chen Jinhua openly disputed the view of the State Statistical Bureau that "the Chinese economy is good at the macro-level, but bad at the micro-level".

Mr Chen claimed that after "boosting the magnitude of enterprise reform", the difficulties besetting state enterprises would be diluted later this year.

The neo-conservative minister's upbeat remarks cannot mask the fact that reform has entered a blind alley.

Vice-Premier Zou Jiahua put the best face on this state of drift when he proposed the theory of "one factory, one system" while touring Tianjin last week.

On how to turn around loss-making concerns, Mr Zou said: "Each factory should come up with its own solutions. For each particular problem, a suitable method should be adopted."

As the NPC's Mr Qiao hinted, however, in this climate of recentralisation, factories needed Beijing's imprimatur to pursue bold new measures.

In the heyday of reform in the late 1980s, former party chief Zhao Ziyang ran an aggressive command centre and think-tank for pushing through changes: the SCREC and its subsidiary, the Research Institute for the Reform of the Economic Structure.

Since then, the clout of the SCREC has shrunk drastically.

In spite of—or perhaps because of his personal links to Mr Deng, Li Tieying's political fortune is going downhill.

The eyes of Mr Jiang and his allies are on a new term at the 15th Congress.

The priorities of the neo-conservatives are to minimise social disruptions such as street demonstrations by laid-off workers. The reactivation of bank loans is perhaps a small price to pay for the Jiang faction's "long reign" and perennial rule.

PRC: China Northern Airlines Receives 1st MD-90 Aircraft*OW2707013896 Beijing XINHUA in English
0114 GMT 27 Jul 96*

[FBIS Transcribed Text] Washington, July 26 (XINHUA) — China Northern Airlines (CNA) took delivery today of its first MD-90 passenger aircraft, marking a major milestone in the long partnership in aviation between China and the McDonnell Douglas Corp.

CNA, one of the largest air carriers in China, is adding 11 new MD-90 twin jets to its fleet of 26 MD-82 aircraft, according to the contract signed recently between China Aviation Supplies and CNA and McDonnell Douglas. Of the 11 MD-90s, Three are scheduled for delivery by the end of the year, with three in 1997, three in 1998 and two in 1999.

The MD-90 is configured with 123 first-class seats and 145 economy-class seats.

The MC-90 was selected in 1992 as the China Trunkliner for domestic trunk and regional airline routes. In 1994, an amended co-production agreement for 40 aircraft was signed by the U.S. Company and the China Northern Aero-Technology Import and Export Corp, under which 20 MD-90s will be produced in Shanghai.

Currently, MD-90s are being built in China by factories in Xian, Chengdu and Shenyang for component fabrication and subassembly work, and final assembly by SAIC. Final assembly and delivery of the first Chinese-Built MC-90 is planned for 1998.

PRC: Beijing Promotes Talents Market*OW2607124996 Beijing XINHUA in English
1146 GMT 26 Jul 96*

[FBIS Transcribed Text] Xian, July 26 (XINHUA) — China has opened 400 talents markets since last October, bringing the total to 1,803, Vice Minister of Personnel Zhang Xuezhong said today in Xian.

Addressing a national conference attended by heads of talents markets at provincial and city levels, Zhang said China's regional talents market network has been built up with the establishment of regional talents markets in Shenyang, Tianjin, Guangzhou, Wuhan, Shanghai, Chengdu and Xian. The Xian market was the newest, opening for business on July 24.

Catering to the needs of talents market, Tianjin, Chongqing and a number of cities have adopted local laws on administration of talents markets, personnel exchange fairs, and talent invitation advertisement, Zhan said.

From late last year some cities, including Shanghai, Wuhan and Shenyang opened agencies for arbitration of disputes in the personnel exchange industry.

The vice minister said many talents markets have also set up computer data bases.

He said the building of more talents markets has improved the position of talent resources, and reduced the waste of talents in the country.

PRC: Museum Criticized For Overcharging Foreigners*OW2707113296 Beijing XINHUA in English
0855 GMT 27 Jul 96*

[FBIS Transcribed Text] Beijing, July 27 (XINHUA) — The State Planning Commission today circulated a notice of criticism nationwide about the punishment to Dazu County under southwest China's Chongqing city for over-charging foreign visitors to the Dazu Stone Carving Museum.

In March of this year the county government, overstepping its authority, raised the price of the tickets for foreigners visiting the museum from 45 Yuan (about 5.5 U.S. Dollars) to 100 Yuan (about 12 dollars).

The notice from the State Planning Commission ordered the Chongqing City Price Bureau to correct this malpractice and impose fines on the museum.

According to the current regulations, ticket prices for foreign visitors should be fixed by the State Planning Commission.

Currently in most tourism spots the tickets for domestic visitors and foreign visitors are different. The notice from the commission says that the State Council, the central government, has a policy of gradually phasing out price differentials of tickets for domestic and foreign tourists. The Dazu county government's price hike ran counter to this policy, the notice says.

The State Planning Commission calls on price bureaus throughout the country to strictly control price hikes in the service sector and create conditions for phasing out the dual-price system for domestic and foreign visitors to tourist spots.

PRC: Li Peng Opens 7th Regional Personnel Market*OW2507023296 Beijing XINHUA in English
0209 GMT 25 Jul 96*

[FBIS Transcribed Text] Xian, July 25 (XINHUA) — Xian Personnel Market, China's 7th regional personnel

market, has opened in the capital of Northwest China's Shaanxi Province.

Over 10,000 people attended the opening ceremony, with Chinese Premier Li Peng making an inscription for the market: "Establishing Xian Personnel Market and serving for promotion of Northwest China's economy."

An official at the Ministry of Personnel said the Xian market has been jointly sponsored by Ministry of Personnel, Shaanxi provincial government and Xian municipal government, aiming at pushing forward the development of human resources in Northwest China and help boost economic development in the region.

China has already established regional personnel markets in Shenyang, Tianjin, Guangzhou, Wuhan, Shanghai and Chengdu cities.

To date, China has set up 1,803 personnel markets of various kinds, and over one million people have got jobs or changed jobs each year with the help of the markets.

Foreign Trade & Investment

PRC: Beijing Foreign-Funded Enterprises See Good Results

SK3107033896 Beijing BEIJING RIBAO in Chinese
15 Jul 96 p 1

[By reporter Su Jinghua (5685 2529 5478)]

[FBIS Translated Excerpt] Since this year, a large number of the three types of foreign-funded enterprises have added more investments, one after another, thus making adding investment an important way for Beijing to expand its drive to attract foreign funds. It is understood that the three types of foreign-funded enterprises added \$500 million to their investments in 1995, and some large projects added more than \$250 million in investments in the first quarter of this year.

According to information from the municipal Economic and Trade Commission, up until the end of April 1996, 4,300 foreign-funded enterprises had opened for business and started operations in Beijing. Of them, 297 were newly established this year, greatly outnumbering those in the same period last year. At present, the operation of these three types of foreign-funded enterprises is good. In the first four months of this year, the output value of foreign-funded enterprises totaled 12.9 billion yuan, and their marketing income amounted to 15.59 billion yuan. [passage omitted]

PRC: Hunan Issues Regulations Protecting Foreign Investors

OW3007151296 Beijing ZHONGGUO XINWEN SHE
in English 1209 GMT 30 Jul 96

[FBIS Transcribed Text] Hunan, July 30 (CNS) — Hunan Province has recently issued eight regulations to stop the arbitrary imposition of fees on foreign funded enterprises. The measures have been introduced to protect the legal rights and interests of foreign investors.

In recent years, the province has been concentrating on the development of foreign enterprises to help boost the economy. The programme has proved successful and, by the end of 1995, there were more than 3,700 new foreign-funded enterprises with a total investment of US\$ 2.75 billion.

However, the foreign investors soon began to oppose the arbitrary imposition of fees by various government departments. There are currently 200 fees levied by the government, including 88 fees concerning the requisition of land, construction and land transactions. Often such fees amount to over 40 per cent of the cost of the total investment. In view of this, the provincial authorities have issued the eight measures to regulate the imposition of fees. The new regulations' main points are as follows:

- Only the Hunan provincial government and the provincial price control and financial departments have the right to approve the imposition of fees on foreign-funded enterprises. All fees that have not been approved by the above departments should be annulled.

- All annulled fees should not be restored at any later date.

- All approved fees should be posted in the Hunan Daily to accept supervision by the public.

- Apart from changes issued by the Central Government, no new fees will be imposed this year.

- Those imposing arbitrary fees on foreign-funded enterprises will be seriously disciplined.

- A complaint centre will be set up to handle all complaints from foreign investors, including those concerning the arbitrary

PRC: Foreign Firms Invest Additional \$300 Million in Beijing

OW3007150696 Beijing ZHONGGUO XINWEN SHE
in English 1034 GMT 30 Jul 96

[FBIS Transcribed Text] Beijing, July 30 (CNS) — Between January and May this year, over 50 large foreign corporations in Beijing, including Matsushita and

Philips, have poured in additional investments totalling nearly US\$ 300 million to expand their operations.

This clearly reflects that Beijing's large foreign enterprises are not only performing excellently but also have great confidence in the future of the local economy.

During the first half of the year, a total of 4,308 new foreign-funded companies, 300 more than in the same period last year, came into operation. These new enterprises increased the value of production in the Beijing region by 7.9 per cent, and increased turnover by 17.8 per cent.

The local government is pleased with the increasing presence of foreign firms as they are one of the most important revenue sources in the city.

PRC: Foreign Investment Utilization on Rise

OW3107084996 Beijing XINHUA in English
0806 GMT 31 Jul 96

[FBIS Transcribed Text] Beijing, July 31 (XINHUA) — Foreign investment in China during the first half of this year has rose 20.18 percent over the same 1995 period, reaching 19.768 billion US dollars.

During this period, China approved 14,061 foreign-invested projects, a decrease of 10.67 percent over the same period last year, according to Hu Zhaoqing, a spokesman with China's Ministry of Foreign Trade and Economic Cooperation.

He said at a press conference here this morning that the Hong Kong-Macao region, Japan, the United States, Taiwan province and Singapore are the top five investors in the country.

By the end of June, there were 273,325 foreign-invested enterprises in China. Of these, 120,000 had started operations employing over a million people, with a total investment standing at 154.635 billion US dollars.

Hu pointed out that direct foreign investment has significantly increased, and the number of infrastructural projects, and large and medium-sized capital and/or technology-intensive projects, has risen.

China has approved 55 projects with investment in each project amounting to more than 30 million US dollars, and the committed foreign investment of these projects stood at 5.32 billion US dollars, accounting for 50.9 percent of the total committed foreign investment.

Meanwhile, the average scope of projects has steadily been expanding, with the average committed foreign investment in each project rising from 2.47 million US dollars in the same period in 1995 to the present 3.24 million US dollars, said Hu.

Hu went on to say that the level of foreign investment utilization of the 18 provinces and autonomous regions in the central and western region of China has increased, and that their percentage of the country's total amount of utilized foreign investment continues to rise.

PRC: Composition of China's Imp/Exp in June

HK3107081596 Beijing CEI Database in English
31 Jul 96

[PTS Transcribed Text for FBIS] Beijing (CEIS) — Following is a list showing the composition of China's import and export commodities in June 1996, released by the General Administration of Customs:

(Unit: 1,000 U.S. Dollars)		
	6/1996	6/1995
Exports		
Primary Products	1,836,276	2,261,697
Manufactured Goods	10,429,319	11,776,635
Imports		
Primary Products	2,306,650	2,220,345
Manufactured Goods	8,602,213	8,737,113

Agriculture

*PRC: Jiangsu Reports Wheat, Rapeseed Storage

96CE0335S Nanjing XINHUA RIBAO in Chinese
26 Jun 96 p 1

[FBIS Summary] As of 20 June, Jiangsu Province had put 920 million kilograms of wheat and 175 million jin of rapeseeds in storage.

*PRC: Provinces Issue IOUs to Sugar Farmers

96CE0335T Beijing ZHONGGUO JINGJI DAOBAO
in Chinese 3 Jul 96 p 2

[FBIS Summary] As of 10 June, sugar mills in Guangxi owed farmers 1.67 billion yuan, and Guangdong owed farmers 767 million yuan.

PRC: Chen Junsheng Addresses Conference on Farming Capital Goods

OW2607143296 Beijing XINHUA in English
1419 GMT 26 Jul 96

[FBIS Transcribed Text] Beijing, July 26 (XINHUA) — State Councillor Chen Junsheng has called on various

localities to pay greater attention to reforming the circulation system of agricultural capital goods.

Chen, also head of All-China Federation of Supply and Marketing Cooperatives, made the call at a national conference on the circulation of agricultural capital goods, which ended in Beijing today.

The senior official said that the major means of farming production, such as seeds, fertilizer and machinery, are the essential guarantee for agricultural production. Failure to circulate them not only will affect the farmers' initiative and grain output, but also will obstruct the healthy cycle of national economic development.

He stressed the importance of assuring farmers nationwide about the supply of farming capital goods, particularly the store of chemical fertilizer.

Chen asked the supply and marketing cooperatives at various levels to increase their sense of responsibility when dealing with circulation of farming capital goods and to resolutely curb irregularities in management, including selling fake and shoddy farming goods.

PRC: UN Agricultural Development Project Set For Qinghai

OW3007170096 Beijing XINHUA in English
1554 GMT 30 Jul 96

[FBIS Transcribed Text] Xining, July 30 (XINHUA) — An agricultural development project aided by the United Nations is soon to be launched in China's inland province of Qinghai.

The project, which has passed official evaluation by the United Nations World Food Program and the International Fund for Agricultural Development, will help 260,000 local people to escape poverty.

IFAD will lend five million U.S. dollars in soft loans and the WFP will provide 49,800 tons of grains in free assistance to Pingan, Hualong and Xunhua counties.

The project is aimed at facilitating water control and irrigation systems, curbing soil erosion, and improving the ecological balance in the three counties.

PRC: Beijing Government Eyes Foreign Funds for Agriculture

OW3007151396 Beijing ZHONGGUO XINWEN SHE
in English 1311 GMT 30 Jul 96

[FBIS Transcribed Text] Beijing, July 30 (CNS) — The Beijing Municipal Government has today revealed details of its agricultural projects open to foreign investment, and promised that preferential measures would be used to lure foreign investors.

The 64 projects announced today involve a total investment of US\$ 210 million and cover horticulture, seeds, fruit, beef cattle and aquatic products.

Foreign businessmen investing in Beijing's agricultural sector are entitled to favourable arrangements regarding fees on the use of land, profits tax, import and export agreements and other taxes, as well as assistance in capital financing.

In addition, the local government strongly encourages foreign investors to enter into projects that utilise the vast deserted land, wilderness and mountain areas to develop horticultural and timber projects, water conservancy facilities, and processing factories for non-staple produce.

According to Beijing's Deputy Mayor, Lu Yucheng, the local agricultural sector, nurtured by several million US dollars, is quite well-developed and is capable of exporting RMB 5 billion worth of produce per annum.

PRC: Jiangsu Completes Grain Purchase Quota

OW3107082296 Beijing XINHUA in English
0815 GMT 31 Jul 96

[FBIS Transcribed Text] Beijing, July 31 (XINHUA) — East China's Jiangsu Province has put in storage 1.75 billion kg of grain by July 25, completing the central government's grain purchase quota for the summer.

The province had also purchased 900 million kg of grain at market price, 500 million kg more than during the same period in 1995.

Jiangsu, located at the lower reaches of the Chang Jiang River, reaped 12.01 billion kg of summer grain, 11.9 percent more than in last year's corresponding period.

The grain was harvested despite severe flooding that ravaged much of the province.

Since early June, heavy floods in Jiangsu have affected more than three million people, causing 56 deaths by July 18. The floods damaged over 800,000 ha of crops, and 49,000 ha were unsalvageable.

PRC: New Technology Yields 30 Percent Rise in Wheat Output

OW3007150596 Beijing XINHUA in English
1423 GMT 30 Jul 96

[FBIS Transcribed Text] Beijing, July 30 (XINHUA) — Chinese experts have provided a grain of comfort as ways are desperately sought of boosting food production.

China has succeeded in developing a new technology that can increase wheat output by 30 percent.

Highly praised by Chinese experts as another revolution in agricultural production technology, after hybrid rice and maize, the new technology applies ground sheeting and pocket methods of sowing. It has been developed by Gansu Academy of Agricultural Sciences.

Chinese agricultural scientists have been working hard to explore new ways of increasing wheat production.

Experiments with the technology conducted in Gansu, Inner Mongolia, Ningxia, Xinjiang and Shanxi show that it is efficient in increasing wheat output.

According to calculations, China can expect to harvest another 7.5 to 10 billion kilograms of wheat if the technology is applied to 6.67 million hectares of wheat fields during the 1996-2000 period, representing half or one third of the planned increase in wheat output during the period.

China grows four million hectares of spring wheat and 6.67 million hectares of winter wheat each year.

PRC: Statistics Bureau Reports Improved Status for Farmers

OW2907081996 Beijing XINHUA in English
0811 GMT 29 Jul 96

[FBIS Transcribed Text] Taiyuan, July 29 (XINHUA) — Nearly all farmers in China will find themselves in a financially comfortable state by the end of this century, according to experts from the State Statistics Bureau and the State Planning Committee.

About 73 percent of all Chinese farmers were relatively better off by 1995, say the experts, who conducted a comprehensive study that covered 16 categories. This includes the farmers' annual income, living standard, life expectancy, and average use of TV and electricity.

In China, being "well-off" means that the country's overall economic strength has reached an average level of developed countries and that people have an adequate supply of food and clothing — but they are still quite far away from being affluent, the experts explained.

Chinese leader Deng Xiaoping then drew up the blueprint for people to substantially increase their earnings by the turn of the century, with his campaign of reform and opening-up initiated in the late 1970s.

So far, about 80 percent of China's urban residents have reached the living standards of people in low or mid-level income countries, and the urban population sees no difficulty in reaching the goal, experts say.

So Chinese farmers, who account for 80 percent of the country's population, now find themselves at the heart of China's drive to become a well-off country.

Per-capita income for rural population is expected to be 1,100 yuan by the year 2000 at 1990 prices, and it will possibly hit 1,043 yuan if their income continues rising at an average rate of 4.27 percent as before, the experts say.

According to 16 indexes used by the State Statistics Bureau, Chinese farmers have reached the standards for being well-off before the 2000 deadline, in terms of life expectancy, use of TVs, expanded services, and crime rate for every 10,000 people.

Chinese farmers are not expected, however, to raise the average education level or the ratio of villages connected by telephone lines by the year 2000.

PRC: Guangdong Expecting Good Summer Grain, Early Rice Harvest

OW2907130296 Beijing XINHUA in English
1232 GMT 29 Jul 96

[FBIS Transcribed Text] Guangzhou, July 29 (XINHUA) — South China's Guangdong Province is expected to have a high summer grain output and an early rice output that surpasses that of the same period last year.

The output per mu (15 mu equal 1 ha) of early rice is estimated to hit a record high, 400 kg, this summer, according to local agricultural officials.

Local farmers are now busy harvesting rice, and have finished gathering in 40 percent of the total.

Meanwhile, they have planted 1.8 million mu of late rice, and the area of late rice fields will rise to 25.3 million mu this year.

East Region

PRC: Shanghai Mayor Xu Kuangdi on Work in Second Half of 1996

*OW3107103896 Shanghai JIEFANG RIBAO
in Chinese 16 Jul 96 p 1*

[FBIS Translated Text] At yesterday's plenary meeting of the municipal government, Mayor Xu Kuangdi pointed out that 1996 is the first year of the Ninth Five-Year Plan period and it is of the utmost importance to do a good job of work in the second half of this year. The guiding ideology for the work of the municipal government in the second half of this year is: To earnestly implement the guidelines of the enlarged meeting of the standing committee of the municipal party committee, to have a clear understanding of the situation, to seize the opportunity, to do solid work, to forge ahead taking advantage of the favorable situation, to further push forward the reform, development, and stability of the whole municipality, to create another new situation in work in various aspects, and to comprehensively fulfill various national economic and social development tasks this year.

The main theme of yesterday's meeting was to implement the guidelines of the enlarged meeting of the standing committee of the municipal party committee held on 8 July, to recall the work of the government in the first half of this year, and to make arrangements for various tasks in the second half of this year. The meeting held that, in accordance with the overall arrangements of the municipal party committee, economic development, urban construction, reform, and the opening up of the whole municipality maintained good momentum in the first half of the year, work in various areas made new progress, and the work target of "fulfilling half the tasks in the first six months" was realized. In the first half of the year, the gross domestic product of the whole municipality was 132.16 billion yuan, 12.1 percent more than the same period last year and 2 percent more than the national average; gross industrial output was 244.513 billion yuan, 15.3 percent more than the same period last year; the gross retailed volume of social consumers goods was 56.3 billion yuan, 22.5 percent more than the same period last year; foreign exports amounted to \$6.495 billion, 10.1 percent more than the same period last year; and foreign capital involved in agreements amounted to \$5.468 billion, 13.3 percent more than the same period last year. The rate of rise of commodity prices was clearly lowered in the first half of the year. The construction of important projects progressed smoothly, efforts to reform enterprises increased, and social order continued to remain stable. Social undertakings such as science, technology, education, culture, public health, and sport, continued to develop, and laid

a solid foundation for fulfilling the tasks of the whole year.

The meeting pointed out that Shanghai currently faces more and more acute market competition, and will have increasing difficulty in developing its economy in a sustained manner. Various trades and professions must closely center on the main theme of promoting the two fundamental changes, and, in the light of respective characteristics, speed up the tempo of work, make greater efforts to carry out reform, create more strong points, and open up a new situation.

Mayor Xu Kuangdi made an important speech at the meeting. He pointed out that since the beginning of the year, all central leaders who visited the city stressed that Shanghai must further emancipate the mind, take bigger steps in reform and opening up, take a step ahead of other localities in the country in deepening enterprise reform, open wider to the outside world, develop high and new technology industries, and, in other areas, form strong points for the development of Shanghai. Shanghai, therefore, must speed up the two fundamental changes, turn Shanghai's strong point in science and technology into an economic strong point as soon as possible, and improve overall economic quality. At the same time, it is imperative to make breakthroughs in reform, firmly grasp important links in reform, be brave in thinking and action, and increase the competitive market power of enterprises.

Mayor Xu Kuangdi made arrangements for work in nine areas for the third quarter. He stressed developing the market as the most important economic work. He called for further strengthening the construction of a nationwide marketing network, speeding up foreign trade exports, developing the foreign market, and blazing new trails in direct investment and market expansion at home and abroad. He said industry must persistently take market as the target, take increasing economic results as the center, take "development, supporting the strong, and increasing economic results" as key points, make greater efforts to promote technological progress, strengthen management, improve efficiency, and attach importance to the cultivation of new growth points in industry. In developing and opening up Pudong, it is necessary to build a good image and develop good functions. In using foreign capital, it is necessary to do a good job in importing big projects, continue to use foreign capital to develop high-technology industries, and speed up the construction of houses to be sold at home, especially low-price houses, and infrastructure. In experimentation in a modern enterprise system, the focus should be put on perfecting at a deeper level the construction of share-holding companies, grasping big enterprises and supporting the strong ones, and making

greater efforts in work related to bankruptcy and annexation. In the construction of important projects, we should ensure the completion of a number of projects, realize the targets of some links and stages of a number of important projects, and firmly grasp work to start a number of projects. Comprehensive economic administrative departments should stress the promotion of development, providing services on their own initiative, and strengthening comprehensive coordination of economic operation. Districts and counties should focus their work efforts on maintaining a relatively high speed in economic development, on speeding up the development of service trades, and in strengthening community construction. Governments and departments at various levels must attach great importance to re-employment projects, explore the establishment of a new mechanism for re-employment, extensively widen channels for re-employment, and mobilize all of society to do a good job of work in this respect. Education, culture, public health, sport, and other departments should conduct at a deep level investigation and study on the construction of the spiritual civilization, and promote the development of various social undertakings.

Xu Kuangdi pointed out that the third quarter is a high-temperature season and typhoons and floods often occur in this quarter. Cadres at various levels of the municipality should, in view of the characteristics of the season, continue to maintain high vigilance against natural disasters, seriously do a good job in taking precautions against floods, other natural disasters, and diseases, to strengthen the comprehensive improvement of social order, to ensure safety in the season, and to further create a good social environment for reform, opening up, and economic construction.

Vice Mayors Zhao Qizheng, Hua Jianmin, Meng Jianzhu, Jiang Yiren, Gong Xueping, and Zuo Huanchen, attended the meeting.

PRC: Shandong Reports Semi-Annual Economic Operation Situation

*SK3107075396 Jinan DAZHONG RIBAO in Chinese
17 Jul 96 pp 1, 2*

[FBIS Translated Text] According to a report on the province's economic operation situation in the first half of this year, Shandong continued to maintain a trend of steady growth; the overall economic operation was basically normal; but some industrial enterprises faced even greater difficulties in production and management as their economic efficiency continued to decline. The report was released by the provincial statistical bureau on 16 July.

According to the provincial statistical bureau's estimate, in the first half of this year, Shandong's GDP was 285 billion yuan, up 12.6 percent over the same period last year, if calculated in terms of constant price. Of this, the primary industry increased 5.1 percent; the secondary industry, 14.3 percent; and the tertiary industry, 13.8 percent, showing a gradual declining trend as compared with the same periods since 1993. Due to the steady increase in domestic demand and the decrease in export demand, the total supply and demand were roughly balanced. It can be said that the macroeconomy was operated in a sound fashion.

In the first half of this year, the speed of industrial production was slightly accelerated. The added value of the provincial industry at or above the township level was 84.18 billion yuan, up 14.2 percent over the same period last year. Of this, heavy industrial production increased at a rate faster than that of light industrial production, production of state-owned industry increased steadily, the non-state-owned industry continued to maintain a relatively high growth rate, and the value of goods delivered by industrial enterprises for export increased at a relatively slow rate. Agricultural production was stable basically, and the summer grain production witnessed the trend of "one increase and two decreases." This year, the province's acreage sown to summer grain increased about 100,000 mu, but the average per-unit yield and total output decreased slightly. The average per-unit yield of summer grain was 339.4 kg, a decrease of 3.1 kg; and the total output was 41.09 billion jin, a decrease of 150 million jin. The situation of building the "food basket" project was gratifying. Output of meat, eggs, milk, vegetable, and aquatic products increased by a big margin over the same period last year. Consumer goods market was flourishing and stable. In the first half of this year, the province's total volume of retail sales was 79.09 billion yuan, up 24.7 percent over the same period last year, or a real increase of 15.1 percent if the price factor was deducted. Such an increase was basically suitable to the province's economic growth. The fixed assets investment maintained a steady growth, while its structure was further optimized. In the first half of this year, the completed investment in fixed assets throughout the province was 42.38 billion yuan, up 20.6 percent over the same period last year, with the increase rate decreasing 1.7 percentage points. The investment structure was optimized further. The investment for expansion of production through science and technology increased, while the investment for enlargement of scale dropped. Foreign export trade witnessed the following trend: Export of the three types of foreign-invested enterprises and of production enterprises increased at a high speed, while the export of foreign trade companies run by the province, cities, prefectures, and counties had difficul-

ties. In the first half of this year, the province's total volume of foreign trade and export reached \$5.25 billion, up 13.7 percent over the same period last year. A new breakthrough was made in the utilization of foreign funds. From January to June, the province newly approved 2,558 projects on utilization of foreign funds, the contracted foreign funds covered by these projects amounted to \$3.72 billion, and the foreign funds actually utilized amounted to \$1.45 billion, respectively registering an increase of 28 percent, 98 percent, and 16 percent over the same period last year. The level of the utilization of foreign funds was raised further. Among the projects using foreign capital, the number of large projects increased, the investment by the regions other than Taiwan, Hong Kong, and Macao increased; and the number of productive projects increased. The province's financial and banking situation was relatively stable. In the first half of this year, the province's financial revenues totalled 10.09 billion yuan, up 40.2 percent over the same period last year, or fulfilling the fiscal year budget by 50.3 percent. The province's financial expenditure totalled 11.48 billion yuan, up 23.8 percent over the same period last year, or fulfilling the fiscal year budget by 38.2 percent. Savings deposits of banks continued to increase. By the end of June, saving deposits of the province's banking institutions amounted to 392.6 billion yuan, 51.75 billion yuan more the figure at the beginning of this year; and the amount of loans totalled 335.91 billion yuan, 8.48 billion yuan more than the figure at the beginning of this year. The orientation of investment was comparatively reasonable. The increase rate of prices continued to decline. In the first half of this year, the province's retail commodities prices increased 8.3 percent on the average, with the increase rate dropping by 9.3 percentage points from the same period last year. The level of income of urban and rural residents continued to improve. In the first half of this year, the average wage of staff members and workers in the province was 2,467 yuan, up 14 percent over the same period last year; and the income of urban residents that was available for living expenses was 2,193 yuan, up 11.9 percent, or a real increase of 0.4 percent if the price factor was deducted. The cash income of peasants per capita was 977.7 yuan, up 17.8 percent, or a real increase of 6.7 percent if the price factor was deducted. Compared to the same period last year, the real increase rate in the income of residents slowed down, and the livelihood of the residents with low income was still difficult.

Major problems in the current economic operation were: The general level of the industrial economic efficiency was not good and enterprises' deficits became worse; the cotton production situation was grim; and the export of the province's export-oriented industrial

enterprises continued to drop, their efficiency declined, and the regional layout of foreign capital became more unreasonable.

PRC: Smaller State Firms Seen Playing Larger Role in Shanghai

OW3007150796 Beijing ZHONGGUO XINWEN SHE
in English 1140 GMT 30 Jul 96

[FBIS Transcribed Text] Shanghai, July 30 (CNS) — Shanghai's local government has promised more flexible measures and massive support to help rejuvenate the city's smaller state-owned enterprises, says a source close to the Municipal Economic and Trading Commission.

Shanghai's smaller state-owned firms account for only a small percentage of the municipal gross domestic product, but their economic significance is still great. The vast majority of the small firms are labour-intensive, and provide a large number of employment opportunities for local people. Hence the economic well-being of small firms is of crucial importance to Shanghai's economic environment and various reform programmes.

Since last year, the municipal government has launched an innovative scheme to sell the shares of smaller firms, particularly debt-ridden light industrial firms, to their employees. With workers at all levels having a stake in the success of the enterprises, they have become more concerned with the various aspects of the firm's operation — such as production, output growth, cost-saving and marketing management — and at the same time developed a stronger incentive to work hard. As a result, some firms are starting to return profits.

The scheme is still being extended, with the local government offering shares of another 100 smaller firms to their employees later this year. It is hoped that the offer will make many of the firms more dynamic in the wake of mergers or re-structuring exercises.

Accordingly, 55 per cent of deals on the Shanghai stock exchange in the past four months have been trade in the shares of small state-owned companies.

In the meantime, although some of the smaller firms are faced with financial difficulties, many of them are making good profits. The municipal government has promised to support profitable enterprises with financial and technological assistance.

Central-South Region

PRC: Construction of Key Projects Intensified in Henan

OW3107073396 Beijing XINHUA in English
0705 GMT 31 Jul 96

[FBIS Transcribed Text] Zhengzhou, July 31 (XINHUA) — Central China's Henan Province invested 6.1 billion yuan in 58 large and medium-sized infrastructure projects in the first half of the year, according to local government sources.

A little over 1 billion yuan of that went for building the Xiaolangdi waterworks on the Yellow River, China's second largest river.

Work on Xuedian International Airport in Zhengzhou, capital of Henan Province, is drawing to a close and the airport is expected to start operating at the end of the year.

Equipment installation at the Zhongyuan ethylene project has been completed and is undergoing trial operations.

The first-phase construction work on the Yahekou thermal power plant, a salt processing plant, and a reservoir project are well under way.

Expansion work on a cement works with an annual production capacity of 690,000 tons and a fertilizer plant started in April.

PRC: Hainan Law Courts Carry Out 'Extensive' Reforms

OW3007144696 Beijing XINHUA in English
1352 GMT 30 Jul 96

[FBIS Transcribed Text] Haikou, July 30 (XINHUA) — Law courts in south China's Hainan Province have carried out extensive reforms to ensure fair and more efficient trials.

Judges used to talk to litigants and conduct investigations as soon as they received a lawsuit. Then they mediated or ordered a trial, and sometimes judges would come to a decision before a trial began.

In those cases a trial was often viewed as a mere formality with litigants dubious about the fairness of the justice meted out by the judges.

Now judges will bring lawsuits to court after preliminary preparations.

In the past judges took charge of all investigations, claimed to be the main reason for low efficiency.

At present litigants are able to raise facts and witnesses freely in court. If one trial is not enough, successive trials follow until the lawsuit is completed.

In the past, judges who were engaged in trials had no decision making rights, and they had to report the trials to chief judges, who normally did not attend any trials.

This administrative way of handling lawsuits harmed the initiative of judges, while chief judges were busily involved in lawsuit files and hearing reports, leading to low efficiency.

Hainan Higher People's Court has taken the lead by organizing capable judges to form special courts which can directly reach final decisions. This is helping to overcome problems of low-quality judges in some of the lower courts.

PRC: Hubei Reports Semi-Annual Economic Operation Situation

SK3007111896 Wuhan HUBEI RIBAO in Chinese
13 Jul 96 p 1

[By reporter Zhu Xiuxin (2612 0208 9515): "The Province's Economy Maintains a Steady Growth Rate"]

[FBIS Translated Text] On the afternoon of 12 July, the spokesman of the provincial statistical bureau reported on the province's overall situation in economic operation during the first half of this year, indicating that the province's economy maintained the basic pattern of steady growth and the economic operation situation was basically normal.

In the first half of this year, the province's economy maintained a good operation trend, while the price rise dropped steadily. According to preliminary calculation, the province's GDP in the first half of this year amounted to 113 billion yuan, up 12 percent over the same period last year in terms of constant prices, or 2.3 percentage points higher than the average national increase rate. Thanks to the policy on regulating and controlling the macroeconomy in an appropriately tight manner, and thanks to the ample supply of agricultural and sideline products, the general index of the province's retail prices increased 7.4 percent, a drop of 13.3 percent points from the same period last year.

Agricultural production witnessed a relatively good situation. Total output of summer grain was 180,000 tonnes more than that of last year, and the total output of summer oil-bearing crops was the second highest in history. Industry kept steady growth. In the first half of this year, the added value of the industry at or above the township level was 41.145 billion yuan, up 15.9 percent over the same period last year. A remarkable

feature was noticed in the entire provincial industry; the portion of the non-state-owned sector exceeded that of the state-owned sector for the first time, with its output value accounting for 50.9 percent of the total provincial industrial output value.

The increase rate in the demand for investment slowed down. In the first half of this year, the investment in the fixed assets of the province totaled 25.363 billion yuan, up 28.6 percent over the same period last year; and the investment in energy and basic industries, including power and postal and telecommunications industries, increased steadily. The demand for consumption was vigorous. In the first half of this year, the province's total volume of retail sales reached 51.409 billion yuan, registering a real increase of 14.9 percent if the price rise factor are taken into account.

The financial and banking situation was basically stable. In the first half of this year, the total financial revenue was 9.397 billion yuan, up 25.2 percent. Of this, the local financial revenue was 5.340 billion yuan, up 31.9 percent. Cutting the interest rate of savings deposits and loans did not cause a relatively big fluctuation of the province's financial situation.

In the first half of this year, major problems in the province's economic operation were the economic slump; and other deep-rooted problems that were caused by the economic growth mode of extensive management, both of which surfaced further. The industry's economic efficiency remained comparatively low; many staff members and workers of enterprises left their work posts; part of urban residents had difficulties in livelihood; and the declining rate in foreign export trade volume was too big.

North Region

PRC: Beijing Mayor on Work in 1st Half of 1996

SK3107084596 Beijing BEIJING RIBAO in Chinese
15 Jul 96 p 1

[By reporter Sun Yushan (1327 3768 1472) and Beijing People's Broadcasting Station reporter Bai Fuyi (4101 4395 5030)]

[FBIS Translated Text] From 11 to 13 July, the municipal government held a meeting to sum up the work done in the first half of 1996. At the meeting, Wei Jianxing, secretary of the municipal party committee, gave a speech entitled "Be Inspired With Enthusiasm, Strengthen Leadership, and Accelerate the Pace of Reform and Development." Li Qiyuan, mayor of the municipal government, made a summing-up speech. Present at the meeting were leaders of the municipal party com-

mittee, the municipal people's congress standing committee, the municipal government, and the municipal committee of the Chinese People's Political Consultative Conference.

Responsible people of the municipal planning commission, the municipal economic commission, the municipal agricultural affairs office, the municipal science and technology commission, the municipal commercial commission, the municipal urban construction department, and the municipal economic and trade commission reported on their work at the meeting. Participants in the meeting held panel sessions to discuss the issues on how to treat the situation; be inspired with enthusiasm; mobilize all positive factors; tide over difficulties; persistently take the economic construction as a key link; and further promote the development of all undertakings in Beijing. They also made speeches at the meeting.

Since the beginning of 1996, all levels of party and government leaders have guided the people to implement a series of central instructions on the work of Beijing. According to the central authorities' 1996 work priorities and the municipal party committee and government's 1996 work arrangements and through the concerted efforts made by the people from higher levels downward, the municipality has generally ensured a stable economic development. In the first half of the year, the economic growth rate reached about 10 percent. The semi-annual major economic targets were fulfilled ahead of schedule. The rate of inflation was 8.7 percent. Revenues and various tax revenues rose by a big margin. The financial situation was generally stable. The enterprise reform was carried out in an in-depth manner. The economic structure was further readjusted. The quality and level of using foreign capital were further improved. Key projects and urban construction progressed smoothly. In continuously improving the urban and rural people's living standards, the municipality perfected the system of giving subsidies to low-income earners. The work related to the construction of spiritual civilization was put in a more prominent position, and new headway was made in this aspect. The anticorruption struggle is being waged in an in-depth manner. Achievements were made in the "severe crackdown" struggle. The capital is politically and socially stable. However, many prominent problems emerged in the process of the economic development and some were even serious. The municipality only made a start in dealing with some work related to the construction of spiritual civilization. The public order situation is still grim.

Li Qiyuan made a speech entitled "Seek Unity of Thinking, Be Inspired With Enthusiasm, Concentrate Energy, Overcome Difficulties, and Strive To Promote the Econ-

omy." He said: We should accurately treat and analyze the current economic situation. New achievements in some spheres made in the first half of this year are the main development trend at present, and must fully be affirmed. Under the major historical background of continuously deepening reform, we should analyze the current difficulties and know that major changes, essentially replacing the old system with the new system, will possibly bring about various difficulties. So, we should proceed from the overall economic situation to analyze them. In line with the overall development situation, over the past years, the state has ceaselessly strengthened and improved the macroeconomic environment and made noticeable achievements in this aspect. All of this is of great significance to consolidating the overall national situation and the overall economic development situation. However, some difficulties in enterprises' production and management have really emerged. Thus, many long-standing and deep-layered contradictions prominently appeared. Contradictions between the macroeconomy and microeconomy also involve some periodical motions. We must see both their general factors and their specific characters; both unfavorable factors and favorable ones; and both objective reasons and our work problems. Favorable opportunities hid themselves in difficulties. So, we should have confidence, courage, and resolution to meet difficulties head-on, to accomplish something, and make greater development. We must notice that Beijing has many favorable factors to enliven state-owned enterprises. Mainly included in the favorable factors are General Secretary Jiang Zemin important speeches on enlivening state-owned enterprises; some definite policies and principles; and a series of central instructions on Beijing's economic development. The people from higher levels downward across the municipality have sought unity of thinking in enlivening state-owned enterprises and realistically realizing two fundamental changes. Beijing has a foundation for developing scientific and technological forces and its industries.

Li Qiyang pointed out: We should adopt forceful measures to realistically promote the two fundamental changes, conscientiously implement the strategy of rejuvenating the country with science and education and the sustainable development strategy, and comprehensively fulfill the 1996 economic development plan. Viewing the general situation, we know that the economic environment in the next half of the year will not be relaxed; some difficulties and contradictions will still exist; and it will be arduous for us to fulfill the annual macro-control task. To attend to the annual economic work, we must persist in the basic line of the party; adhere to Comrade Deng Xiaoping's thinkings that development is an established principle and that it is imperative

to develop the things that are conducive to developing the productive force of socialist society, enhancing the overall strength of socialist country, and improving people's living standards; firmly attend to the central link of economic construction; and strive to make real results in this aspect. We should attend to the following seven economic work priorities.

1. Carry out reform in an in-depth manner. Accelerating the pace of reforming state-owned enterprises is an urgent economic task at present. Now, we should first carry out the modern enterprise system on a trial basis. To this end, we should persistently emancipate the mind, seek truth from facts, and have the daring to try and do a pioneering work. Instead of waiting for achievements, we should conscientiously sum up experiences in the course of practice. The evidence of practice is accurate and fruitful. So, we should persistently engage ourselves in practice and gradually popularize our good experiences. We should timely correct problems, if discovered, for fear of creating great losses.

2. Attend to auxiliary policies. All overall economic departments should foster an awareness of service, positively suggest ways and means for industrial development, and actively help enterprises make good and full use of policies and solve their practical problems. We should fully use the favorable opportunity that Beijing is listed among the country's 50 cities for optimizing the capital structure on a trial basis and should strive to make a breakthrough in injecting capital into enterprises, reducing enterprises' debts, having state-owned enterprises declare themselves bankrupt, and transferring enterprises' surplus personnel. We should pay attention to the transfer and management of state-owned property rights so as to promote the separation of government functions from enterprise management. We should accelerate the setup of a social security system with a focus on three insurance policies, such as an old age pension system, an unemployment system, and a system in which medical treatment fees for patients with serious illness should be paid by the social unified medical fund. Constructing markets for production factors should be accelerated. This year, we should focus our efforts on developing labor markets so as to arrange jobs for the surplus personnel of state-owned enterprises.

3. Attend to the structural readjustment. We should expand the dynamics of readjustment and vigorously develop the economic sectors suitable to the capital's special features. We should make good use of new projects to enliven the old ones so as to provide production factors, such as capital, raw materials, transportation means, foreign exchange, and land, primarily for the trades and enterprises whose conditions conform to the

state industrial policies and suit the capital's special features. In this way, the central policy on "grasping large enterprises and decontrolling small ones" can be embodied, and a number of large enterprises and enterprise groups can be developed. We should study the policies governing the reorganization of enterprise property, particularly the policies on merging enterprises that have disadvantages into those that have advantages. We should organize localities, trades, and departments to cooperate one another. It is also necessary to quicken the "decontrol over small enterprises." Small enterprises can be enlivened based on contracts; or through leasing, shareholding partnership system, cooperation, mergers, commission-based management; and sales of management rights. In the latter half of the year, through selections, we should experiment with the bankruptcy system among one or two state-owned enterprises whose assets cannot offset their debts and which are hopeless to halt deficits; set up a mechanism in which the good should exist and the bad should be eliminated; and eliminate the phenomenon that state-owned enterprises can only be set up but not be closed down. We should also enable large enterprises to guide the development of small ones and set up a cooperative net with large enterprises as its core.

4. Pay attention to the input of capital. We should support a group of key projects and develop a group of new economic growth points. We should designate organizations to undertake the construction of key projects on a responsibility basis. All departments and all fronts should turn on green lights for key projects; simplify examination and approval procedures; and provide capital and supporting policies for key projects. Banks should ensure the supply of capital for the enterprises with readily marketable products and good economic results; try every possible means to grant loans to the enterprises whose economic results reach an average level and that have difficulties in management due to lack of working funds; support the money-losing enterprises with good projects; and restrict the granting of loans to the enterprises that keep their products in stock, have long-term deficits, have neither good products nor good leading bodies, and do not bring in returns to the capital. Planning and financial departments, banks, and enterprises should positively think of ways to collect funds and strive for capital.

5. Enterprises should blaze new trails in technology. First, there must be projects. We should give full scope to the capital's advantages of having science and technology and talented people; adopt forceful measures to promote cooperation between scientific research institutes and enterprises; and accelerate the transformation of scientific and technological findings. Second, there

must be good mechanisms. We should positively help enterprises blaze new trails in technology. We should take new-tech industrial development zones as bases to accelerate the development of new high-tech and the pace of sending new high-tech to markets and to really form large-scale new high-tech industries. It is necessary to support enterprises, particularly old ones, to blaze new trails in technology. We should also adopt good methods to reform technological transformation methods.

6. Pay attention to the basic management of enterprises. Viewing the current situation of enterprises, we know that enterprises' internal management is a weak link. Both money-losing and profit-making enterprises should regard enterprise management as a basic task and attend to it. In the next half of the year, we should conscientiously popularize the experiences of the Handan Iron and Steel Company and launch a campaign of emulating the Handan Iron and Steel Company, paying attention to management, and improving efficiency. In launching the campaign, we should essentially study the company's experiences, blaze new trails, and avoid emulating superficial knowledge or practicing formalism. We should pay attention to strengthening the construction of enterprises' leading bodies.

7. Implement policies and measures. The policy on taking economic construction as a key link has been defined; the ideas are clear; and there are related measures. Thus, the people from higher levels downward should make concerted efforts to implement all policies and measures to the letter. First, principal leaders of the municipal party committee and government, as well as all related departments, commissions, offices, and bureaus, should personally engage in the implementation of policies and measures. The municipal leading group in charge of the readjustment of the economic structure should regularly study and resolve the current economic difficulties and should work out relevant policies and measures to promote the development of the economy. We should meticulously and solidly do our work and ensure achievements.

Li Qiyang stressed: We should strengthen leadership, be inspired with enthusiasm, and concentrate our energy to promote the economy. According to General Secretary Jiang Zemin's requirements and the guidelines of a series of central instructions, all levels of governments should concentrate their main energy on economic work and should carry out their work closely in line with the central link of economic construction. The key to seeking unity of thinking and to pooling the joint efforts to develop the economy is to accurately handle the relationship between reform, development, and stability. As required by the new situation this year, we should

base ourselves on maintaining stability, and should attach more importance to reform and development. A task of urgent importance at present is that all levels of leading cadres should have confidence; get rid of the negative thinking of waiting for chances; seek unity of thinking; unite as one; fully mobilize all positive sectors for developing the economy; and strive to create a new situation in the municipality's economic work. We should be further inspired with enthusiasm. The more difficulties we face, the more we should remain sober-headed. We must unduly underestimate our capabilities. We should conscientiously sum up experiences and lessons; maintain a spirit of being highly responsible to the people; persistently carry out our work; respect ourselves; remain independent; make ourselves strong; always be confident and determined to achieve success; and guide the broad masses of cadres and people to tide over difficulties and advance forward.

Li Qiyan stated: We should realistically improve work styles and work in a down-to-earth manner. All levels of governments should serve enterprises and the grassroots in a down-to-earth manner. Leading organs of the municipal government should set an example in this aspect. Departments in charge of the overall economic work, economic departments, and other related departments should improve work efficiency; fulfill their duties; work actively in cooperation with one another; and do more concrete deeds. The situation where the people find it difficult to have their affairs handled and where departments shift responsibilities onto others should be changed. We should deal with concrete affairs and avoid only stressing principles orally. Leading cadres should strengthen the sense of urgency; actively study and solve practical problems; go to the forefront lines and grassroots; avoid holding meetings at which problems cannot be solved; avoid making perfunctory and empty remarks; concentrate more time to go to the grassroots to conduct investigations and studies; make a prompt decision on affairs which are proven accurate; and ensure not stopping until they are accomplished.

PRC: Beijing Holds Conference on Semi-Annual Industrial Work

SK3107061496 Beijing BEIJING RIBAO in Chinese
20 Jul 96 p 1

[By reporter Zhang Lei (1728 7191)]

[FBIS Translated Text] The Beijing Municipal industrial work conference concluded on 19 July. It called on the gigantic industrial contingent consisting of millions of workers to uplift spirit, make serious efforts to do solid work, end deficits and increase profits, further improve state-owned enterprises, and promote Beijing's industry

to another new level. Beijing leaders Jin Renqing and Yang Anjiang addressed the conference.

Li Shun, secretary of the industrial work committee of the municipal party committee, relayed the guidelines of the speeches given by Comrades Wei Jianxing and Li Qiyan at the municipal party committee's Standing Committee meeting and the municipal government's meeting to summarize the semi-annual work. He pointed out: Beijing has managed to maintain fairly stable development in its industrial production since the beginning of this year despite the grim production and business situation and the large decline in the efficiency of state-owned enterprises. Facing up to the grim situation, the gigantic industrial contingent has made all-out efforts to change the passive position. Initial success was achieved in the industrial work in the first half of this year thanks to the leadership of the municipal party committee and government and the support and assistance of the various departments in charge of overall responsibilities.

Industrial production grew steadily. From January to June, Beijing provided 23.58 billion yuan, in current prices, in the added value to industry, up 6.1 percent from the same period last year; and created 57.85 billion yuan in industrial output value, up 8.7 percent. Production and marketing were by and large in balance. The marketing rate of Beijing's industrial products was 95.49 percent, 1.58 percentage points higher than the national average and sixth in rank among the 29 provinces and municipalities in the country. Quality was upgraded steadily. Among the 389 key industrial products particularly inspected by Beijing, 281 were produced during the January-June period, and 96.88 percent of them saw steady improvement in quality, an increase of 0.99 percentage points over the same period last year; and 99.8 percent of the 49 export commodities were appraised as up to the standard in the first inspection, thus maintaining a steady improvement trend.

On the premise that production grew steadily, Beijing's local state-owned industrial enterprises managed to place the decline in efficiency under initial control.

The situation in the industrial front will remain grim in the second half of this year. In view of this, Liu Kexin, executive deputy director of the municipal economic commission, urged, in his work report, Beijing's industrial enterprises to make a success of the following key work.

Remain high-spirited, enhance confidence, and achieve success in ending deficits and increasing profits. We should resolutely overcome the fear of difficulties as reflected in the pessimistic and disappointed feeling, the

war-weariness reflected in complaints, and the wait-and-see passive attitude; fully estimate the importance and difficulty in the reform of state-owned enterprises; and enhance the determination and confidence in surmounting difficulties and improving state-owned enterprises. After this, we should pay attention to key and large enterprises and establish the responsibility system at every level for switching deficits and increasing profits, so that the decline in the industrial efficiency can be stopped as soon as possible.

Focus on key areas, support superior enterprises while limiting the production of inferior ones, and pursue better efficiency through reform and adjustment. While improving large enterprises and large conglomerates, we should extend the strategic adjustment, mergers, and bankruptcy. Proceeding from the functions and industrial characteristics of the national capital, we should establish the strategic idea of "developing Beijing with the resources from outside Beijing." We should make the best of the resources and geographical advantages of the suburban counties and neighboring areas and integrate industrial restructuring with trans-regional economic cooperation.

Achieve success in technological progress and greatly nurture the new growing points of the industrial sector of the economy.

Expand exports and strive to improve the quality and efficiency in using foreign capital. We should strengthen the regulation and control over economic operation to improve its quality and efficiency.

Jin Renqing, Standing Committee member of the municipal party committee and executive vice mayor, said in his speech: To develop Beijing's industry, we should make continuous efforts to update our ideas and adopt the viewpoint of the market economy to accelerate industrial restructuring. Taking the overall situation into consideration, we should overcome selfish departmentalism and transfer, merge, and declare bankrupt whatever enterprises that should be transferred, merged, or declared bankrupt. Government departments should create a good external environment for enterprises, fully develop enterprises' initiative in reform, and give full play to the role of various industries in planning and coordination. We should overcome the wait-and-see passive attitude and develop whatever projects that we think are worthwhile. We should open wider to the outside world, broaden the field of thinking, and raise funds from various channels. Jin Renqing emphasized: We should uplift spirit and make serious efforts to do solid work. This is the key to improving state-owned enterprises. Leaders at all levels should do deep into the grass roots to share

weal and woe with cadres, staff members, and workers and continuously strengthen enterprises' unity.

Vice Mayor Yang Anjiang gave a speech entitled "Increase Efforts, and Quicken Steps To Achieve Success in Industrial Restructuring." He emphasized that as the optimal distribution of resources is the starting point and end result of the structural adjustment, we should make efforts to enliven the reserve assets, support the superior enterprises while limiting the production of the inferior ones, and let enterprises supplement each other with their own advantages. He urged leaders at all levels on the industrial front to make serious efforts to do solid work and never sit back and pontificate without making any decisions.

PRC: Beijing Mayor Visits Hebei, Discusses Cooperation

SK3107045896 Beijing BEIJING RIBAO in Chinese 17 Jul 96 p 1

[By reporter Sun Yushan (1327 3768 1472)]

[FBIS Translated Text] Mayor Li Qiyuan led the Beijing Municipal delegation to visit Hebei on 15 and 16 July and was accorded a warm welcome by Cheng Weigao, secretary of the Hebei Provincial party committee, and Ye Liansong, governor of Hebei. The leaders of Beijing and Hebei held friendly discussions and extensive, in-depth explorations on ways to strengthen economic and technological cooperation and build a Bohai rim comprehensive economic zone. They signed a "summary of talks on developing overall economic and technological cooperation between the Beijing Municipal People's Government and the Hebei Provincial People's Government."

On 15 July, leaders of both sides held a forum on Beijing-Hebei economic and technological cooperation. Cheng Weigao welcomed the Beijing Municipal delegation on behalf of the Hebei Provincial party committee and government. He said: Beijing is the capital of the motherland and is linked with Hebei by common mountains and rivers. Hebei should protect, serve, and support the capital's development and successfully serve as its "city moat." Hebei and Beijing have carried out multi-faceted cooperation in the past, and Hebei's development has enjoyed Beijing's great support. The current visit of the delegation led by Mayor Li Qiyuan will more effectively promote cooperation between the two sides and facilitate the economic and social development of both Beijing and Hebei.

Ye Liansong introduced Hebei's economic development and then said: It is the common wish of the Hebei Provincial party committee and government and the

people across the province to further strengthen long-term cooperation between Hebei and Beijing. As we are at a crucial period in cross-century development, Hebei and Beijing are encountered with a very good opportunity for cooperation. We should seize the opportunity, develop cooperation on a wider range, and bring the good economic cooperation between the two sides along the track of multidirectional, high-level, large-scale, wide-range, and in-depth development.

Li Qiyang conveyed the respect to the Hebei Provincial party committee and government and all the people of Hebei from Comrade Wei Jianxing, the Beijing municipal party committee and government, and the people of Beijing; and he thanked Hebei for doing a great amount of work to support Beijing's development and stability. He said: The purpose of our visit to Hebei is to follow the guidelines of the strategic central decision on building the Bohai rim comprehensive economic zone, strengthen Beijing-Hebei exchanges, promote their traditional friendship, learn from Hebei's advanced experience, and facilitate higher quality and wider ranging cooperation between Hebei and Beijing. Li Qiyang introduced Beijing's efforts to comprehensively implement the guidelines of the important speech given by General Secretary Jiang Zemin during his inspection of Beijing, to implement the series of important instructions on Beijing's work given by the central authorities, and to fulfill Beijing's Ninth Five-Year Plan and the long-term target for the year 2010. He said: Bordering each other, Beijing and Hebei have established close economic ties and carried out cooperation for a long time. Hebei has provided great support to Beijing in such areas as water resource protection, power and raw material supplies, communications and transportation services, farm and sideline product supplies, and labor service for many years. Since the initiation of reform and opening up, in particular, Beijing and Hebei have seen very fast development in their economic and technological cooperation and have established an initial pattern of multilayered and multi-channel cooperation and opening to each other. Beijing Municipality will promote cooperation in all sectors and strive for substantial breakthroughs in regional economic and technological cooperation, and optimization of the industrial structure and geographical distribution, urban construction, exploitation and utilization of agricultural resources, economic and technological cooperation, personnel exchanges, and foreign economic relations and trade.

On 16 July, relevant departments of Beijing and Hebei held discussions with their counterparts. In a cordial and friendly atmosphere, Ye Liansong and Li Qiyang signed the "summary of talks on developing overall economic and technological cooperation between the Bei-

jing Municipal People's Government and Hebei Provincial People's Government," reaching a common understanding on such work as seizing the opportunity to further strengthen economic and technological cooperation between Hebei and Beijing; strengthening industrial cooperation to facilitate industrial restructuring; intensifying agricultural development and the "vegetable basket project"; actively expanding scientific and technological cooperation and personnel exchanges; promoting cooperation on large projects to seek common interests; greatly strengthening cooperation in foreign economic relations and trade; stepping up environmental protection around Beijing and expediting economic development in areas around Beijing; cooperating on tourism; building large markets and developing large-scale circulation to facilitate large-scale cooperation in the regional economy; and establishing organizations to coordinate economic development.

Cheng Weigao, Ye Liansong, and Li Qiyang pledged closer cooperation and greater efforts to create a more beautiful future and march side by side toward the brilliant 21st century.

Cheng Weigao and Ye Liansong also invited Li Qiyang and his party to visit a liquid crystal display development company; the Baoxiang Fur Product Plant; the Huabei Pharmaceutical Plant; precious stone, electronic, and glass companies; and Beiguo Shopping Center in Shijiazhuang.

Attending the discussions were Hebei leaders Zhao Jinduo, Li Zhanshu, Cong Fukui, Guo Shichang, Hu Zhenguo, and Zhang Qunsheng; and Beijing leaders Duan Bingren, Yang Anjiang, Fang Yuanmou, Yi Xiqun, and Zang Hongge.

Northeast Region

PRC: Heilongjiang Secretary on Economic Development

SK3007022596 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 28 Jul 96

[FBIS Translated Text] The recent meeting on the work of the provincial committee ended on 28 July. At the meeting, Yue Qifeng, secretary of the provincial party committee, stressed: It is imperative to further study and implement the guidelines of General Secretary Jiang Zemin's series of important speeches, relay and implement Premier Li Peng's instruction for Heilongjiang Province's work, further emancipate thinking, enhance spirit, seize the opportunity, advance by taking advantage of the favorable situation, implement the overall thinking of the provincial party committee for economic development in a better manner, accelerate the whole

province's reform and economic development, and promote the building of two civilizations.

Yue Qifeng pointed out: The higher and lower levels across the province should unswervingly implement the provincial party committee's overall thinking for economic development, and do a better job in economic work. He continued: During the first half of this year, the economic situation of the whole province continued to develop towards a good trend. GDP increased by 9.7 percent over the same period last year, the greatest increase achieved in the last seven years. Other fields of work also witnessed a good situation. The macroeconomic performance in the province began to show a favorable circumstance of a normal increase in production, investment, and consumption, and a decline in commodity prices.

Yue Qifeng said: In spite of the fact that the province's economic and social developments were quicker and better than expected, we should never overestimate the achievements in any case and never be blindly optimistic or lower our guard. We should all the more treasure the hard-earned good situation, the overall thinking for economic development which has been proved effective by practice, and the enthusiasm of the broad masses of cadres and people in conducting reform and seeking development, always maintain the trend of seeking unity, advancing forward, and boosting enthusiasm, and carry out this year's economic work in a down-to-earth manner. Further efforts should be made to mobilize the whole province to accelerate the building of a strong agricultural province. The province and various cities, prefectures, and counties should further implement the measure of producing 15 billion kg of grain by the end of this century, accelerate the building of strong agricultural counties in an effort to bring along the building of a strong agricultural province, and exert special efforts to change the agricultural growth mode, transform medium-and low-yield fields, and raise the per-unit area yield. At present, we should prominently grasp well three affairs. First, we should combat disaster so as to reap a bumper harvest. Second, we should accelerate the development of the richly endowed land resources and create a macro climate of accelerated development in Heilongjiang. Along with the rising upsurge in which people in and outside the province and at home and abroad have come to Heilongjiang to develop the land, we have every reason to make the best use of the situation to expand opening up, development, and joint development in this miraculous black earth, and accelerate efforts to build and to rapidly form the macro climate of accelerating Heilongjiang's economic development. Third, we should vigorously develop township enterprises. Developing township enterprises is the road

which the rural areas must follow in expanding the balance of economic aggregates, becoming rich and attaining a level of moderate prosperity and consolidating the worker-peasant alliance. Developing township enterprises is also a strategic move for narrowing the gaps between the eastern, central, and western parts of the province as well as narrowing the gaps between the inland and coastal areas. It is also necessary in order to consolidate the party's political power in the rural areas and successfully build grassroots party organizations and raise their cohesion and fighting capacity. During his inspection tour, Premier Li Peng also called on us to accelerate the development of township enterprises and place the work focus on the intensive processing of farm and side-line products and local resources. This is absolutely in conformity with the province's reality. We should conscientiously grasp and implement his instruction.

Yue Qifeng said: To do a good job in implementing the guidelines of Premier Li Peng's instruction, we should give play to the advantages of the old industrial base and fight a tough battle of raising the quality of growth and efficiency. The petroleum industrial sector should pay attention to developing petrochemical industry as well as high and new-tech industries and turn the unleavened dough into leavened dough that brings along accelerated development in the whole province's economy. The coal industrial industry should pay attention to the development of coal-generated electricity, coal chemical industry, and diversified undertakings and strive to end the dangerous and difficult situation as early as possible. The machinery industry should be guided by the market and should accelerate the adjustment of the production setup and product mix. We have repeatedly stressed that some enterprises which are national treasures should be guided by the market, and should open up a second battlefield, vigorously develop forestry industrial machinery and agricultural machinery products in addition to heavy-duty machinery products, and actively develop diversified undertakings. All localities and departments should realistically grasp this work and achieve good results as quickly as possible.

While guaranteeing the development of war industrial products, the war industrial sector should also continue to develop civilian products and, at the same time, vigorously carry out diversified undertakings, transfer manpower to the agricultural sector, and guarantee self-sufficiency during the Ninth Five-Year Plan period.

Yue Qifeng stressed: We should unswervingly regard reform as the fundamental basis and the fundamental way out for accelerating Heilongjiang's economic development; further attend to reforms in five major as-

pects; continue to grasp reform of state-owned enterprises; act in line with the demands of the modern enterprise system of clarifying property rights, clearly defining rights and responsibilities, separating government functions from enterprise management, and conducting scientific management; follow the thinking of invigorating large enterprises while decontrolling small ones; combine reform, reorganization, and transformation with management; uphold the fundamental criteria of doing things conducive to developing the productive forces of our socialist society, increasing the overall strength of our socialist country and improving the people's living standards; and explore ways to successfully run state-owned enterprises in the course of practice, continue to reform the systems of state farms, and further improve the dual management system in large farms and family-based farms. In order to suit the great change in the production relations of state farms, we should further reform the overlapping management organs and the administrative functions of planning bureaus and accelerate transition in the direction of developing companies and conglomeration. Management bureaus which have been abolished should not change their administrative layers in form but in essence. They should realistically change their functions and do a good job in the amalgamation and management of their assets. We should further strengthen the service functions and realistically delegate the management rights to farms; continue to do a good job in reforming the use of grasslands and water areas; continue to grasp reform of lumber industry; and reform the relationship between departments and regions. Strengthening the building of leading bodies, further raising the quality of cadre contingents, and enhancing their awareness in taking a two-handed approach in work are major matters having a vital bearing on implementation of the province's overall thinking for economic development. Judging from the province's overall situation, most of the leading bodies at all levels have fighting ability, appeal, and cohesion, and are capable of leading the people to fight a tough battle and do great deeds. The party organizations at all levels across the province and all communist party members should further strengthen the study of theories and the building of democratic centralism. The provincial discipline inspection commission is the party's discipline inspection organ, and the organizational, propaganda, and united front work departments of the provincial party committee, the political and legal commission, and the general office are the work departments of the provincial party committee. All cities and prefectures, especially the relevant city and prefectural departments, should accept guidance or leadership from these departments without any exception, and should ask for instructions from and report the situation to the higher

level in a timely manner while dealing with major issues or holding major activities. It is necessary to give greater impetus to reform of the cadre system and anticorruption work. Regarding the current major cases of (Liu Zuoqing), (Ha Kesen), and (Liu Jingbiao), we should give greater impetus to grasping them through to the end. We should further conduct a "strike-hard" [anti-crime operation] struggle, strengthen the building of spiritual civilization, submit ourselves to the unified stipulations of the central authorities, and never violate discipline in this aspect. The discipline inspection commissions and propaganda departments should strengthen inspection and supervision, and give greater impetus to implementing the stipulations. Now that the thinking on Heilongjiang's work is clarified and the objectives are defined, the key is to implement them. We should establish and improve the responsibility system for fulfilling certain targets and the responsibility system for grasping implementation work. All members of work teams and groups should attend to the work they are in charge of, share the tasks and targets at each level, and assure that there are people in charge of each aspect of work and the actual results. As for major work which affects the realization of tasks and targets, we should give supervision to all levels and feed the results back to them at a regular interval. The party Central Committee and the State Council and the 3.7 million people across the province have pinned ardent hopes on us. In face of the numerous difficulties, contradictions, and problems in Heilongjiang, and in face of such a province with tremendous development potential, we should continue to exert due efforts to develop this underdeveloped gold mountain. As long as leading bodies at all levels maintain unity and unification, they will be able to stand all kinds of storms in society. As long as we persist in promoting the Daqing spirit, the iron man spirit, the spirit of the Northern Wilderness, and the spirit of making breakthroughs in the high and cold region and let Heilongjiang's revolutionary traditions and fine work style pass on from generation to generation, Heilongjiang will be able to push its work to a new height and make greater contributions to the state. Let us rally more closely around the party Central Committee with Comrade Jiang Zemin as the core, and under the leadership of the provincial party committee, emancipate thinking, advance in a hardworking and enterprising spirit, redouble our efforts, seek actual results, strive to unceasingly push forward the province's reform, opening up, economic construction and all undertakings, regain Heilongjiang's prestige, and display Heilongjiang's stately appearance once more.

PRC: Heilongjiang Secretary Speaks on Forestry System Reform

SK3007082296 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 29 Jul 96

[FBIS Translated Text] In a letter to the comrades attending a provincial meeting on the reform of the forestry system on 29 July, titled "Reform Is the Way Out for the Forestry Industry," Yue Qifeng, secretary of the provincial party committee, said: is a big forestry province with rich forestry resources. Over the past decades, Heilongjiang not only made tremendous contributions to the state, but also yielded (Ma Yongshun) and (Sun Jinfu) and a great batch of pioneering heroes of old and new generations in the remote thickly forested mountains and in the course of carrying out hardworking pioneering work, and created many heroic and moving deeds. While developing and building the Daxinganling Forest Area, Heilongjiang formed the precious spiritual wealth of making breakthroughs in high and cold areas and wrote a brilliant chapter in forestry. To this end, let me extend lofty respects to leaders of units and the broad masses of workers who emancipated thinking, created experience, and made contributions in the course of the forestry system reform.

Yue Qifeng said: Heilongjiang practiced the planned economy system in the forestry sector for a long time and entered the socialist economy quite late; its main attention to timber production and the excessive lumbering, low prices, and the irrational system resulted in the rise of resources crisis and economic difficulty. The long default of payment for forest cultivation funds, and failure in allocating sufficient funds for buying saplings during afforestation made some forest farms have no trees for lumbering; and it also gave rise to the strange phenomenon of cultivating grain in large tracts of wastelands in mountain areas. It was exactly under this difficult situation that the spring wind of reform blew into the remote thickly forested mountains. Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics has exerted a great influence on family members of the broad masses of forestry workers in Heilongjiang. Hence, a number of good examples of becoming prosperous through tree planting emerged. However, it was a pity to see that this spark did not spread far and wide during a certain stage.

In his letter, Yue Qifeng emphatically pointed out: The provincial party committee and government have always supported reform and adopted a clear-cut attitude towards it. This meeting is fundamentally aimed at promoting the forestry system reform; helping the forestry sector get rid of difficulties; striving to keep the hills green and ensure the forest reserve for continued

use; and preventing Heilongjiang's forest area, which is reserved forest vital to the ecology of half of China, from becoming treeless during the next 30 to 50 years.

PRC: Heilongjiang Holds Meeting on Forestry System Reform

SK3007055296 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 29 Jul 96

[FBIS Translated Text] On the morning of 29 July, the provincial party committee and government convened a provincial work meeting on the reform of the forestry system. At the meeting, the plan for implementing reform of forestry industry was promulgated. Yue Qifeng, secretary of the provincial party committee, wrote a letter for the meeting titled: Reform is the way out for the forestry industry. Ma Guoliang, deputy secretary of the provincial party committee, made an important speech on Heilongjiang's reform of the forestry system.

The reform of Heilongjiang's forestry system took the spirit of the fifth plenary session of the 14th CPC Central Committee as the guidance, and carried out the spirit of the fifth plenary session of the seventh Heilongjiang Provincial Party Committee. The aim of the meeting is to carry out the two changes in the forestry economy and enliven the forestry economy, make it rich, and let it stand on its own. Currently Heilongjiang's forestry industry is administered by several departments, the industry operates as a whole, and government administration is not separated from enterprise management. In light of this current situation, we should transfer power to lower levels and clarify relationships, strengthen government administration of the forestry industry, and mobilize the initiative of governments at all levels in protecting and developing forestry. We should transfer to local city governments, prefectural administrative offices, and county governments the organization, personnel, funds, and accounts receivable and accounts payable on fixed assets of all enterprises and institutions practicing independent accounting, such as prefectural, city, and county forestry bureaus; state-owned forest farm companies; state-owned forest farms; state-owned sapling nurseries; township and town forestry workshops; and units in charge of comprehensive use of timber, machine processing, and scientific research and education, which are all subordinate to the provincial forestry department. The five forest farms, namely (Heilonggong), (Yinmanpo), (Laoheiji), (Sunlui), and (Jinshinshen), should be taken as the exemplary base for scientific research, education, and experiments. They should be assigned as units directly under the provincial forestry bureau and administered by the forestry bureau in a unified manner.

At the meeting, Ma Guoliang pointed out: In conformation with the reform of the forestry system, we should push forward the overall development of afforestation, greening, and resource protection. State-owned tree farms and plant nurseries should be enlivened with a view to rejuvenating the forestry economy. The provincial party committee and government urged governments all levels to reinforce the impetus for reform, commonly share difficulties, and seek efficiency from reform and development.

All localities should proceed from the overall situation and carry out the plan for implementing reform of forestry industry. It is imperative to carefully organize and make arrangements to achieve success in reform of the forestry industry. The government's coordination function should be utilized, and the situation where each does things its own way should not be allowed. The relationship between reform and stability should be handled successfully. [words indistinct] It is imperative to give priority to maintaining the stability of forestry areas as it is the most important task.

Ma Guoliang emphasized that the core of forestry system reform is to, by resolving problems with regulation and control, mobilize the initiative of governments at all levels and the broad masses of people to protecting the development of forestry industry so as to achieve the goal of sustained growth of forestry resources. Therefore, after the reform, the forestry resources of Heilongjiang can only increase, not decline. This will be an important criterion for assessing whether the goal of the forestry system reform is achieved, and it is also an important task facing all leaders.

Attending the meeting were provincial leaders such as Zhao Jicheng, Sun Kuiwen, and Chen Wenzhi.

PRC: Heavy Rains on 28-29 Jul Bring Flooding to Yichun City

SK3107055096 Changchun Jilin People's Radio Network in Mandarin 1000 GMT 30 Jul 96

[FBIS Translated Text] According to a report released by the Yichun Flood Control Headquarters at 0700 on 30 July, on 28-29 July, the southern part of Yichun City experienced successive rainstorms or heavy rains. The rainfall in Tieli City reached 201 mm. Owing to the fact that the rainfall came with tremendous force, seven districts and bureaus in Tieli City's Shuangfeng, Taoshan, Dailing, and Nancha were seriously flooded or waterlogged. It was initially learned that three forest farms, 11 villages, and about 5,000 households were affected. The (Suizhong) railway was held up and most highways were flooded. At present, more than 10,000

people have been safely moved to other places, and some people are still besieged by flooding.

After the disasters, leaders of Yichun City immediately worked out plans for the flood control and relief work. The city leaders have led emergency and relief work teams and rushed to the disaster areas. After receiving a report on the disaster situation, the provincial flood control headquarters immediately sent flood control work groups to meet with leaders of Yichun City, who were attending a meeting in Harbin, and rushed by helicopter to the disaster areas to guide the flood control and relief work.

PRC: Jilin Secretary Speaks at Provincial Plenum

SK3007045796 Changchun JILIN RIBAO in Chinese 10 Jul 96 p 1

[FBIS Translated Text] The seventh plenary session of the Sixth Jilin Provincial CPC Committee was held in Changchun from 7 to 9 July. The standing committee of the provincial party committee presided over the plenary session. On behalf of the standing committee of the provincial party committee, Zhang Dejiang, secretary of the provincial party committee, made an important speech entitled "Comprehensively Implement the Basic Line of the Party, and Push Party Building to a New Level." Wang Yunkun, deputy secretary of the provincial party committee, delivered a speech at the conclusion of the session.

After studying Comrade Jiang Zemin's important instructions on stressing politics and his important speech on "Making Efforts to Build a High-Quality Contingent of Cadres," the session's participants maintained that the instructions and speech are the essential guiding ideology and principle of our party for commanding the overall situation under the new historical period, as well as the key ideological weapon for strengthening party building. Hence, they must be implemented conscientiously.

The session's participants held: During the new historical period, party leaders and party building are faced with the test of smashing the international hostile forces' plot of "westernizing" and "splitting" our country; the test of boosting economic construction; and the test of vanquishing corruption. Whether we can withstand these three tests and challenges depends primarily on party building. For this reason, we must fully understand the extremely great significance and urgency of party building from the high plane of the destiny of the party and the state.

The plenary session pointed out: Under the guidance of Comrade Deng Xiaoping's theory of building socialism

with Chinese characteristics and the party's basic line, we should conscientiously study new cases and problems regarding party building work under the condition of the socialist market economy, and we should adopt practical and tough measures to truly carry out all tasks on party building under the new period, with a focus on building a high-quality contingent of cadres.

We should intensify ideological and political building, implement the "double study" task, and affirm the ideal of and confidence in communism. Party committees at all levels must firmly put ideological and political building in the first place of party building and, by penetratingly launching studies of Deng Xiaoping's theory of building socialism with Chinese characteristics and the party constitution, enable the vast numbers of party members and cadres to further firmly embrace the communist ideal and confidence and persistently follow the road with the Chinese characteristics. We should penetratingly and protractedly launch the "study project" among all party members of the province and focus on resolving prominent problems regarding ideology and work; improve the study form of theoretical central groups, enrich the study content, and improve the study effect of leading bodies at all levels; train leading cadres and theoretical key members at all levels in party schools and cadres' schools; and carry out the "top leaders" responsibility system to ensure that the "double study" activity will be conducted in a penetrating and sustained manner.

We should profoundly launch activities of "learning from Kong Fansen and trying to be good public servants" and turn the wholehearted service to the people into the conscious action of the vast numbers of party members. Party committees at all levels should spread the activities of "learning from Kong Fansen and trying to be good public servants" among the vast numbers of party members and cadres, and guide party members to conduct themselves, handle affairs, and serve the country and people like Kong Fansen did. We should launch the activities of "creating the vanguard and striving for outstanding performance for one's units" among all party members in order to enable the overwhelming majority of party members to become the vanguard and the models of their professions and units. We should carry out the project of supporting the poor and resolving their problems and should help poverty-stricken areas, enterprises with special difficulties, and the masses with difficulties, resolving their problems with their livelihoods and production. We should persist in the system of having leading cadres take full responsibility for designated areas, the system of urban party members taking responsibility for districts, and the system of rural party members assuming responsibility for households, with

a view to removing worries and difficulties for grass-roots areas and the masses. We should also persist in the investigation and study system and intensify petition work.

We should strengthen the building of systems and intensify the supervision of work opposing corruption and advocating administrative honesty. Among discipline inspection departments, we should carry out the system of negating all performances once the work of opposing corruption and advocating administrative honesty has failed and should guarantee the quality of cadre appointments. We should carry out the warning and encouragement system and should give timely warnings against cadres doing poor jobs or being unclean in performing administrative duties. We should carry out the auditing system and intensify supervision over economic affairs. We should carry out the responsibility system for supervising administrative honesty and strengthen supervision over the internal affairs of leading bodies. We should carry out the system of making administrative affairs known to the public and intensify supervision by the masses. We should carry out the rotation system and intensify precautions. In the course of building systems, we must go all out to build the ideological and moral line of defense for opposing corruption and advocating administrative honesty. Leading cadres do not necessarily have to obtain all the benefits that are due, but should never obtain benefits that are not due.

We should conscientiously implement democratic centralism, strictly enforce discipline, and safeguard the unity and unification of the party. The whole province, from higher to lower levels, should consciously maintain a high degree of ideological and political unanimity with the CPC Central Committee, with Comrade Jiang Zemin as its core, and ensure the smooth implementation of the orders and decrees of central authorities. Organizations at lower levels should earnestly implement the instructions and decisions of higher levels and not use excuses to reject their implementation. We should vigorously intensify the supervision and restriction mechanism within leading bodies and truly ensure the implementation of democratic centralism. Party-member leading cadres at all levels should earnestly participate in intraparty activities according to the principle of democratic centralism and truly handle affairs according to the organizational principle. We should really improve the quality of democratic activities meetings and intensify the democratic supervision and examination of the situation in enforcing discipline.

We should comprehensively enhance the fighting capacity of party organizations, focusing on consolidating weak and undisciplined party committees and party branches. We should further launch consolidation and

study projects among rural party organizations and help upgrade weak and undisciplined party branches. Beginning in this winter-spring period, we should take one to two years to consolidate all the leading bodies of town and township party committees in the province. We should firmly and unswervingly strengthen party building among state-owned and state-held enterprises and make their organizations and leading bodies flawless, their leading systems reasonable, and their ranks of party members well-organized. We should positively explore ways and methods to use the role of party organizations among the three types of foreign-invested enterprises and among other new economic organizations. Great efforts should also be made to intensify party building among state organs, neighborhoods, schools, and other establishments.

A key task is building well leading bodies at all levels. Great efforts should be exerted to appropriately select and manage "heads" of leading bodies, give prominence to the political demands made on them, and enhance their ability to control the overall situation. We should reasonably readjust and improve the structure of leading bodies, optimize their set-up, and actually strengthen the unity among leading bodies. We should intensify the examination of political performances of leading bodies and truly enhance the overall quality and leading ability of leading bodies.

We should make great efforts to build up a high-quality contingent of cadres. We should firmly execute the party's line on cadres, guarantee the quality of selection and appointment of cadres, and resolutely check the unhealthy trend in personnel employment. We should actually strengthen the regular management and education of cadres and vigorously encourage cadres to go to the forefront of reform and construction to temper themselves in practice. We should pay attention to training excellent young cadres and fostering a large number of talented leaders who can shoulder heavy tasks in the trans-century period.

The session stressed: We should strive to grasp the objective law on building socialism with Chinese characteristics and push to a new level the party's leadership work during the new period. We should correctly handle the relations between party building and economic construction, grasp party building around economic construction, and use party building to promote economic development. We should correctly handle the relations between building spiritual civilization and building material civilization, pay attention to building both simultaneously, and strive to achieve results in both. We should correctly handle the relations between adhering to the socialist orientation and developing productive forces, and firmly and unswervingly following the road of so-

cialism with Chinese characteristics. We should correctly handle the relations between reform, opening up, and stability; strive for stability amid development; and strive for development amid stability. We should also correctly handle the relations between party committees and other departments, mobilize the enthusiasm of all fields, and handle Jilin's affairs in an even better fashion.

The session demanded that party organizations at all levels in the province conscientiously relay, study, and propagate the guidelines of this session; truly grasp the implementation of the guidelines; and push the province's party building to a new level.

Attending the session were members and alternate members of the provincial party committee; responsible comrades of city and prefectural party committees; responsible comrades of departments concerned directly under the provincial authorities, and secretaries of party committees of various counties, cities, and districts.

PRC: Jilin Secretary on Grass-Roots Party Building
SK3007101496 Changchun JILIN RIBAO in Chinese
 13 Jul 96 pp 1, 4

[By reporter Wei Maoyi (7614 5399 5030)]

[FBIS Translated Text] Zhang Dejiang, secretary of the provincial party committee, conducted investigation and study in Changling County on the buildup of rural grass-roots party organizations on 11 July. He emphasized the need to fully understand the importance of buildup of town and township party committees from the strategic perspective of strengthening the rural grass-roots political power, safeguarding social stability, and promoting rural economic and social development; to correctly analyze the current situation in the buildup of town and township party committees; and to adopt effective measures to improve township-level organizations, with the focus on the buildup of town and township party committees.

In the Sanhebao Village of Guangtai Township, his liaison point for party building work, Zhang Dejiang held talks with peasants in farmland, inspected pump wells and rice fields, and encouraged peasants to grow rice with the water of small wells. After hearing a report by Liu Baochen, secretary of the village party branch, Comrade Zhang Dejiang gave a vivid party lecture in connection with the specific rural conditions to the 24 party members of the village. Zhang Dejiang emphasized: Communist party members should have firm communist ideals and faith and integrate the long-range goal of communism with the current task of achieving prosperity with diligent labor. The buildup

of village-level party organizations should be focused on village party branches, and a competent leading body for the party branch should be established to unite the people and pool their efforts. Party members should play their role as vanguards and models and help the masses achieve common prosperity while endeavoring to achieve prosperity ahead of others. Every means should be adopted to develop the collective economy, expand the collective economic strength, and consolidate the grass-roots political power.

In Changling County, Zhang Dejiang held a forum attended by some town and township party secretaries, in which he gave important opinions on how to strengthen town and township party committees.

—We should fully understand the important position of towns and townships and give full play to the important role of town and township party committees. Towns and townships are China's most basic level organizations of political power, and town and township party committees are the most basic level party committees in rural areas. They hold a very important position in China's political, economic, and social activities. As a large agricultural province where a large proportion of the population lives in rural areas, Jilin's economic and social development, to a certain extent, is determined by the development of towns and townships. Without the moderate prosperity of towns and townships, the moderate prosperity of the entire province will be out of the question; and without rural stability, the stability of the entire province will not be achieved. In our endeavor to attain the Ninth Five-Year Plan and the targets for the year 2010, the indomitable efforts of towns and townships are needed in many aspects of work. When the overwhelming majority of our towns and townships become strong, we will have no worry whether Jilin will become strong and prosperous. For a period to come, we should give prominence to the buildup of town and township party committees and to town and township economic development when developing party building and developing the economy. Either in party building or in economic development, towns and townships constitute a key link concerning the overall situation. County and city party committees should have a new understanding of this and reestimate the important position of towns and townships and the extreme importance of buildup of town and township party committees from the strategic perspective of consolidating the grass-roots political power, developing rural economy, and attaining the target of moderate prosperity. The current problems of towns and townships, such as problems in their functions which have been weakened and problems in their service which has become incompatible, should be resolved seriously. To resolve these problems, the ba-

sic way is still to strengthen party building in towns and townships. Only when town and township party committees are built well can we guarantee and promote the overall development in various undertakings of towns and townships. —We should correctly analyze the situation, accurately pinpoint the major problems in town and township party building, and enhance the sense of urgency toward the buildup of town and township party committees. Jilin has made great achievements in the buildup of towns and township over the past few years, with their political power being relatively stable, economy developing gradually, and peasants living and working in peace and contentment. We should also note, however, that some town and township party committees and a small number of party members have not done enough in emancipating the mind and lack ways to achieve prosperity; they lack firm ideals, faith, and the driving force to achieve progress; they lack the ability to cope with the market economy and have made policy decisions at random; they are perfunctory in work and dishonest in performing official duties; and they lack unity and cohesive force. Also, the establishment of town and township organizations is incompatible with economic development. As these problems affect rural economic and social development, effective measures should be adopted to solve them.

—We should achieve success in the buildup of township-level organizations, with the focus on rectifying town and township party committees. The provincial party committee has decided to launch an overall rectification of the leading bodies of town and township party committees, beginning this winter and next spring. The purpose of education and improvement should be attained by straightening out ideas, checking work styles, and summarizing work. Through the rectification, town and township leading bodies should achieve progress in ideological and political work, in work style, and in organization; should further clarify the targets, tasks, and measures for local economic and social development; and then should accomplish the project for rural areas to achieve moderate prosperity and the project to "become strong in four aspects." When rectifying the leading bodies of town and township party committees, we should adopt measures and give guidance based on specific local conditions. Liaison men should be sent to most towns and townships and work groups should be sent to the remaining small number of towns and townships; and their responsibility should be clarified so that real results can be achieved.

—The basic purpose of the rectification is to promote town and township economic and social development, and productive forces should be taken as the sole crite-

tion for assessing the achievements of the rectification. The purpose of rectifying the leading bodies of town and township party committees is to improve the ideological, political, and professional level of cadres with the party membership of towns and townships, to upgrade the overall quality of the leading bodies, and to promote productive forces. The rectification work should be integrated with economic construction; attention should be given to them simultaneously; and achievements should be won in both. We should use party building to promote economic construction and spiritual civilization, which, in turn, should be taken as the criteria to assess the achievements in party building.

Participating in the investigation and study activities were Yin Chengjie, Standing Committee member and secretary general of the provincial party committee; Shi Dianjin, secretary of Songyuan city party committee; Bai Chengqiang, mayor of Songyuan city; and pertinent comrades from the General Office and Organization Department of the provincial party committee.

Northwest Region

PRC: Lanzhou Military Region Holds Seventh Party Congress 18 Jul

SK3107085496 Lanzhou GANSU RIBAO in Chinese
19 Jul 96 p 1

[FBIS Translated Text] The Seventh Congress of the CPC Committee of the Lanzhou Military Region ceremoniously opened in Lanzhou on the morning of 18 July. Comrade Wen Zongren, political commissar of the military region and deputy secretary of the party committee, gave the opening address. Comrade Liu Jingsong, commander of the military region and secretary of the party committee, gave a work report on the sixth party committee; Comrade Li Baoxiang, deputy political commissar of the military region and secretary of the Discipline Inspection Commission, gave a work report on the sixth Discipline Inspection Commission. The Gansu provincial party committee sent a congratulatory letter to the meeting; Comrade Yan Haiwang, secretary of the provincial party committee, and Comrade Zhang Wule, deputy secretary of the provincial party committee and provincial governor, attended the meeting to convey congratulations.

In the work report of the party committee, Comrade Liu Jingsong reviewed the practice of building the army units of the military region over the past five years, and held that the sixth party committee had persisted in grasping fundamental work and in promoting stability; in grasping the central task and working plans for the overall situation; in attending to grass-roots work to lay a foundation; in grasping the building of lead-

ing bodies to bring along the development of army units; and in leading the broad masses of army officers and men to fight in unity and to engage in hard pioneering work. All army units in the military region maintained a high degree of stability, sustained development, and comprehensive progress, as well as successfully fulfilled all tasks entrusted by the party and people; unceasingly strengthened ideological and political construction; made solid and effective preparations for military struggle; strengthened the organizational basis; achieved progress in building a regular army; further enhanced the overall level of building grass-roots army organs; achieved noticeable results in building reserve forces; and provided timely and effective logistic and technical support. The report also put forward the fighting objectives and major tasks for the next five years: We should meet high standards in implementing the demand to stress politics and achieve new results in strengthening political and ideological construction; should actively promote both preparations against war and military training, and achieve new breakthroughs in implementing the military strategic principle during the new period; should give impetus to management and educational work, and achieve new progress in strictly managing the army in line with the law; should comprehensively implement the "outline for the grass-roots construction of the army," and make new strides forward in enhancing the overall level of building army units; should unceasingly raise the strength of comprehensive support, and make new achievements in building the army through thrift and hard work; should continue to do a good job in adjustment and reform, and seek new developments in building reserve forces; should actively conduct the work of supporting the army, giving preferential treatment to families of servicemen, supporting the government and cherishing the people, and making the army and the people exert joint efforts to build spiritual civilizations and make new contributions to promoting stability and development in the northwest region; and should persist in unswervingly grasping party building, and in strengthening a centralized and unified leadership.

In the congratulatory letter, the Gansu provincial party committee stated: During the recent five years, the Lanzhou Military Region, under the leadership of the party Central Committee with Comrade Jiang Zemin as the nucleus and the central military region, uphold Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; unswervingly implemented the party's lines, principles, and policies; acted around the general objective on army building; vigorously strengthened ideological and political construction; strived to raise the military training level; further strengthened the building of a revolutionary, modernized, and regular

army in the entire military region under the new period; and provided a reliable and safe guarantee for reform, opening up, and the modernization drive in the northwest region and in the entire country. Meanwhile, the broad masses of commanders and fighters actively participated in building the great northwest region; undertook many urgent, difficult, and dangerous tasks; conducted all kinds of activities to support the poor areas and to provide scientific and technological aid; maintained close ties between the army and the government and between the army and the people; and made great contributions to stability and development in the northwest region, including Gansu.

The executive chairmen of today's meeting were Liu Jingsong, Wen Zongren, Fu Bingyao, Wang Lizhong, and Xu Shouzheng. The meeting was presided over by Comrade Xu Shouzheng, member of the Standing Committee of the Lanzhou Military Region party committee and deputy political commissar. More than 600 party representatives of army organs and grass-roots army officers and men of five provinces and regions in the northwest region attended the meeting.

PRC: Growth in Shaanxi High-Tech Private-Sector Firms Noted

OW3007085096 Beijing XINHUA in English
0751 GMT 30 Jul 96

[FBIS Transcribed Text] Xian, July 30 (XINHUA) — Seven years ago, Shi Ronghai, a young teacher, quit

his job at a university and established a computer and information research institute with three friends and 30,000 yuan they borrowed. Today, that same research institute has 34 enterprises overseas and 37 branches in China.

This is only one of many success stories to be found among the privately-owned (non-state-run) technology-intensive enterprises in the province. There are nine such enterprises whose annual income is more than 100 million yuan each.

As recently as in 1991, there were fewer than 1,000 such enterprises in the province. In contrast, by the end of last year, the number had swelled to 4,700.

According to officials with the provincial science and technology commission, the enterprises concentrate on electronics, information, medicine, biology, chemicals, machinery, instruments and meters, construction materials, and health food.

In 1995, the more than 49,000 employees of these companies help produce a total income of 6.2 billion yuan and foreign currency earnings of 35 million US dollars.

Statistics show that the enterprises reported a total income of more than 14 billion yuan between 1991 and 1995.

Taiwan: David Li To Take Over as Deputy Head of GIO

OW3007105696 (Internet) Taiwan Central News Agency WWW in English 1012 GMT 30 Jul 96

[By Lin Wen-fen]

[FBIS Transcribed Text] Taipei, July 30 (CNA) — Government Information Office (GIO) Director General Su Chi confirmed on Tuesday that David Li, director of the North American Affairs Department of the Foreign Ministry, will become GIO deputy director general.

Li will replace Albert Yeh, who will be reassigned as ROC representative to Luxemburg.

Su said that another GIO deputy director-general, Charles Wu, is likely to be transferred to the Executive Yuan to serve as the chief of Vice President and Premier Lien Chan's office. Su said he is looking for someone to fill the vacancy.

David Li, 47, is a graduate of National Taiwan University who received a doctoral degree from Virginia State University. He had served as director of Taipei Economic and Cultural Office in Boston before he returned home to assume present post in March.

Taiwan: New Deputy Head of National Security Council Named

OW3007124496 (Internet) Taiwan Central News Agency WWW in English 1210 GMT 30 Jul 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, July 30 (CNA) — The Ministry of Foreign Affairs announced on Tuesday that Teng Shen-sheng, now the representative to Austria, will succeed Chang Wen-chung as the Republic of China (ROC)'s deputy representative to the United States.

Chang will be named deputy secretary-general of the National Security Council.

Chang, 61, has served as counselor of the ROC embassy in South Africa and director of the Seattle and Boston units of the Taipei Economic and Cultural Office.

Teng, 56, of Shanghai, has served as deputy director of both the North American Affairs Department under the Ministry of Foreign Affairs and the New York branch of the Taipei Economic and Cultural Office.

Sources close to the ministry said the position vacated by Teng is expected to be filled by former Education Minister Kuo Wei-fan, who left his post in the June cabinet reshuffle.

Foreign Affairs Minister Chang Hsiao-yen indicated that Kuo's new position will be made public soon.

Taiwan: Army Commander Calls For Reinforcing Coastal Defense

OW3107081496 Taipei TZU-LI WAN-PAO in Chinese 24 Jul 96 p 3

[FBIS Translated Text] Army Commander General Tang Yao-ming inspected the Kinmen Defense Command and troop units on the morning of 24 July. A source in Kinmen said that Tang Yao-ming was reported to be dissatisfied with the East Kinmen Defense Command for having failed to stop an illegal mainland emigrant from infiltrating into the Kelo Bay area. He demanded that Chen Chen-hsiang, commander of the Kinmen Command, thoroughly pursue the responsibility of those who were derelict in performing their duties and review the situation related to fulfilling the coastal defense task.

The same source said that the incident of the hostage-taking by Sun Kang, an illegal mainland emigrant, has sent great shock waves throughout Kinmen's political and military circles. Following the incident, Commander Chen Chen-hsiang called a review meeting of major division-and-brigade-level cadres. However, there has been no report on the promulgation of relevant stipulations and adoption of concrete actions to improve coastal defense.

In addition to proceeding with the set schedule of inspecting troop units in Kinmen this morning, Army Commander Tang Yao-ming also made a firsthand inquiry into the incident. The military said that it will review the incident and intensify coastal defense after receiving instructions from Tang Yao-ming.

Taiwan: Spokesman Expresses Regret Over Hashimoto War Shrine Visit

OW3007143696 (Internet) Taiwan Central News Agency WWW in English 1355 GMT 30 Jul 96

[By Bear Li]

[FBIS Transcribed Text] Taipei, July 30 (CNA) — Taiwan on Tuesday expressed its regret over Japanese Prime Minister Ryutaro Hashimoto's visit to a controversial war shrine.

"We hope the Japanese Government and people will try to understand the feelings of the Asian people about the Japanese invasion in World War II, and deal with the issue carefully," Foreign Affairs Ministry spokesman Rock Leng said.

Hashimoto on Monday became the first serving prime minister to visit the Yasukuni Shrine, where the Japanese war dead and convicted World War II criminals are enshrined, since 1985 when then Prime Minister Yasuhiro Nakasone broke a post-war taboo by making a visit to the shrine. Nakasone's move triggered a wave of protests from Mainland China and other Asian countries invaded by Japan.

Leng said that the shrine visit does not bear so great a political significance as has been reported because Hashimoto was visiting the shrine in a private capacity on his 59th birthday, rather than on Aug. 15, the day commemorating the end of the Second World War.

Taiwan: Foreign Minister To Visit Haiti, Paraguay
OW3007143896 (Internet) Taiwan Central News
Agency WWW in English 1303 GMT 30 Jul 96

[By Maubo Chang]

[FBIS Transcribed Text] Taipei, July 30 (CNA) — Foreign Minister Chang Hsiao-yen and his wife will

set off on a trip to Haiti and Paraguay on Aug. 5 at the invitation of the governments of the two nations, the Ministry of Foreign Affairs said in a press release on Tuesday.

In addition to exchanging views with leaders of the two countries, Chang and his entourage will meet with members of the Chinese community and inspect the ROC's embassies and agriculture technical missions there, the ministry said.

Chang is scheduled to return on Aug. 18.

Hong Kong

Hong Kong: Official Welcomes British Offer To Help SAR Team-Designate

HK3107054496 Hong Kong TA KUNG PAO
in Chinese 27 Jul 96 p A11

[Unattributed report: "Zhang Junsheng Says Chinese Side Will Certainly Welcome British Side's Willingness to Help SAR Team-Designate"]

[PTS Translated Text for FBIS] Commenting on the report that when the Hong Kong Special Administrative Region [SAR] team-designate is formed, Hong Kong Government officials will set up a working team to help the future SAR officials, Zhang Junsheng, deputy director of the XINHUA Hong Kong branch, said that when the SAR team-designate is set up, the British Hong Kong Government should offer assistance. This will facilitate a smooth transition and help the future SAR Government function trouble-free. The British side has promised to offer help. The two sides can discuss the way the assistance is offered when the team-designate is set up. The Chinese side certainly welcomes the cooperation and assistance that will be given to the SAR team-designate by the British side, he added.

When asked how the XINHUA Hong Kong branch will cooperate with the Preparatory Committee [PC], Zhang said the branch will cooperate with the PC in any way the latter desires. As an institution stationed in Hong Kong by the central authorities, the branch will energetically and earnestly help the PC with all its operations.

Hong Kong: 'Informal' Talks With British To Ensure 'Smooth' Transition

OW3007151496 Beijing ZHONGGUO XINWEN SHE
in English 1341 GMT 30 Jul 96

[FBIS Transcribed Text] Hong Kong, July 30 (CNS) — Chinese and British representatives have held informal discussions on the adaptation of Hong Kong law over the past few days to ensure a smooth transition.

After holding the first informal expert meeting on the adaptation of Hong Kong law on April 24 this year, the

Sino-British Joint Liaison Group (JLG) held a further informal expert meeting on July 26.

The Chinese party said that China placed great emphasis on the informal meetings with the British party and listened closely to their opinions. At the same time, China hoped that the British party could sincerely strengthen cooperation to guarantee the smooth transition of Hong Kong legal system in 1997.

The adaptation of Hong Kong law involves amending the present law of Hong Kong to bring it in line with the Basic Law. This is to guarantee that a set of comprehensive and consistent regulations will be in place in the Special Administrative Region after June 30, 1997.

The adaptation of Hong Kong law relates closely to the economic prosperity and social stability of Hong Kong, and is therefore of great concern to the public, especially those in commerce and law.

The Chinese side says that it has always placed great emphasis on and works hard for the adaptation of Hong Kong law. Although China has always believed that the adaptation of Hong Kong law is an internal affair, China is willing to have informal exchanges of opinions with the British party to ensure the steady transition of Hong Kong.

At the second informal expert meeting, the Chinese delegation listened to the opinions of the British party on the "Proposal concerning the use of Hong Kong Special Administrative Region law" put forward by the Law Sub-Group of the Preliminary Working Committee.

The Chinese party also announced the amended proposal of 15 financial ordinances and listened to the opinions of the British delegation. The amended ordinances will be significant for the maintenance of the normal financial order and the status of Hong Kong as an international financial centre. Both parties think that the current round of talks has positive implications for a smooth transition; the opinions of the two parties on many points are unanimous.

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